

Anti-Saddam Effort Cost CIA \$100 Million

By R. Jeffrey Smith
and David B. Ottaway
Washington Post Service

WASHINGTON — Iraqis interested in toppling their president have for several years made their way to a compound of four houses on a hill in the city of Salah ad Din, in Kurdish northern Iraq, where a small team of American CIA officers has been helping to implement a classified 1991 U.S. presidential order to oust Saddam Hussein. Hands outstretched, dissident Kurds

and other Iraqis asked for and received tens of millions of CIA dollars. They spent the money on light arms and ammunition, communications gear, publishing materials, broadcasting equipment, cars and trucks, food and medicine — all items they said they needed to harass Mr. Saddam, foment a revolution or plot a palace coup. Egged on by lawmakers and policy officials, the CIA's leadership found it hard to say no to anyone who asked for assistance to oppose Mr. Saddam. Dissidents set off some bombs, re-

cruited defectors, fought a brief military battle with Iraqi troops in March 1995 and took hundreds of Iraqi Army prisoners, not at the CIA's explicit direction, but with its strong encouragement and financial support. After spending around \$100 million since 1991 on the anti-Saddam campaign, however, the Central Intelligence Agency has strikingly little to show for it, according to administration, congressional and Iraqi dissident sources. A military sweep across northern Iraq in the last two weeks by Kurdish

forces backed by Baghdad has left the major CIA effort in the Kurdish region in tatters. For years the two principal Kurdish separatist groups drew support from the CIA, but last month one of them abruptly allied with Mr. Saddam and drove the other eastward. Many members and sympathizers of a CIA-supported umbrella organization in the area have been captured, killed or surrounded by military forces. Other mostly non-Kurdish dissident

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Kuwaitis Hesitate on U.S. Troops

Deployment of 3,000 Appears in Doubt

By John Lancaster
Washington Post Service

KUWAIT — The planned deployment of up to 3,000 U.S. troops to Kuwait as a defensive measure against Iraq was in doubt following a meeting between senior Kuwaiti officials, the U.S. defense secretary, William Perry, said Sunday.

Almost alone among Washington's allies in the region, Kuwait has offered some assistance to the United States. It agreed last week to accept the basing on its soil of eight radar-evading F-117 Stealth bombers for possible retaliatory airstrikes against Iraq. Last week, American officials said they planned to send up to 5,000 ground troops to Kuwait to man an armored brigade of tanks, Bradley Fighting Vehicles and other equipment that was stockpiled here under security arrangements stemming from the 1991 Gulf War.

On Sunday, however, the Pentagon said officials had recalculated and lowered the figure to 3,000. And the Kuwaiti reaction meant that deployment was no longer a sure thing. "I have not authorized that deployment order and will not until I get the authorization of the Kuwaiti government," Mr. Perry said at a news conference.

The picture has been further complicated by Iraq's announcement on Friday of a unilateral cease-fire.

President Saddam Hussein had ordered Iraqi missile batteries to shoot down American planes enforcing the so-called no-fly zones above northern and southern Iraq. The southern zone was expanded to within a few miles of Baghdad — effectively shutting down two major Iraqi air bases — as part of the U.S. response to Mr. Saddam's



An F-18 Hornet leaving the carrier Carl Vinson, which is helping to enforce the "no fly" zone over Iraq.

deployment of troops to the north.

On several occasions last week, Iraqi missile batteries tried to shoot down American and allied warplanes enforcing the flight-exclusion zones in Iraq. In fact, Mr. Perry said Sunday that Iraq had fired at U.S. or allied warplanes six times, three more than the Pentagon had acknowledged. Iraq also has begun to rebuild air defense sites that were damaged by U.S. cruise missile strikes.

Mr. Perry did not rule out the possibility of further military action.

"We will not tolerate that threat to our pilots, nor do we believe we can rely on Saddam Hussein's promise that he would not attack those airplanes," he said. "We will take whatever action is necessary both to continue to enforce the no fly zone up to the 33d parallel and we will take whatever action is

necessary to protect our pilots."

Although Mr. Perry said he had "positive discussions" with the emir of Kuwait concerning the deployment of U.S. troops, his failure to secure a firm commitment from one of Washington's closest Arab allies demonstrated the challenge that confronts him as he tours the region trying to drum up support for additional military measures against Iraq.

Notwithstanding their intense distrust of Mr. Saddam, pro-Western Arab governments have been reluctant to participate in the two-week-old military confrontation between the United States and Iraq, fearing a public backlash at home.

Since the confrontation began more than two weeks ago, when Mr. Saddam's troops briefly invaded the rebellious Kurdish area of northern Iraq,

the Clinton administration has been scrambling to formulate a response that will not cause irreparable rifts in the U.S.-led coalition that drove Iraqi forces from Kuwait in 1991.

Arab countries, including several that participated in that coalition, criticized the U.S. missile strikes that followed Mr. Saddam's move into the north.

President Bill Clinton sent Mr. Perry to the region on Friday to consult with American allies.

He met this morning with officials in Saudi Arabia, then traveled to Kuwait for a meeting with the emir, Sheikh Jaber al Ahmad as Sabah, and other senior officials.

Mr. Perry said the emir had agreed to refer the offer of additional troops to

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Balkan Rivals Set To Meet in Paris

U.S. Acts Fast to Generate Talks On Future of Bosnia After Vote

By Chris Hedges
New York Times Service

SARAJEVO, Bosnia-Herzegovina — President Alija Izetbegovic, whose Muslim party said it would contest this weekend's vote in Serbian-held Bosnia because of unspecified irregularities, announced Sunday that he would travel to Paris within three weeks to meet his old nemesis, President Slobodan Milosevic of Serbia.

The meeting, orchestrated Sunday by Richard Holbrooke, former U.S. assistant secretary of state, is part of a breathless effort by international mediators to bring the leaders of the once warring factions together as soon as the counting of the ballots is completed in two or three days.

The two leaders, diplomats said, would discuss establishing diplomatic relations and commercial links, all part of the plan to begin to unite the three ethnic factions that now control Bosnia.

Saturday's vote saw 60 to 70 percent of the nation's 2.9 million eligible voters elect a three-person presidency, a national Parliament, regional parliaments and presidents for the Croatian, Serbian and Muslim enclaves.

Despite the protest by the ruling

Muslim party, most international observers said irregularities were not widespread or massive enough to justify canceling any of the balloting.

The joint institutions will begin to function within two weeks, international officials in Sarajevo said. And they will be the last instrument left to overcome the stark division of the Bosnian state into three acrimonious enclaves that, until now, have not shown either the tolerance or the cooperation envisioned by the architects of the peace accord.

Flavio Cotti, the Swiss Foreign Minister and chairman of the European organization that ran the vote, said: "These elections were necessary as the first, concrete step on the long, long road, that will take generations, for peace and reconciliation. If opposition parties can place in the different parliaments even a few members, then perhaps this will open a pluralist dialogue. What four years of war created can not be eliminated in a few months or by elections. You need generations now for the fear to disappear from the souls of the people."

Serbs, Croats and Muslims went to the polls with vastly different expectations.

Many Muslims hoped the vote, man-

See BOSNIA, Page 6

Time to Wheel and Deal In (Gasp!) North Korea

By Andrew Pollack
New York Times Service

SONBONG, North Korea — In the lobby of the Sonbong House of Culture is a huge oil painting of the late "Great Leader," Kim Il Sung, and his son, the current leader, Kim Jong Il. In the alcoves, North Koreans wearing their Kim Il Sung buttons on business suits are wheeling and dealing with foreign entrepreneurs and investment bankers about potential joint ventures and marketing tie-ins.

Capitalism has burst out in North Korea, the last and most rigid bastion of Stalinism. Or at least it has burst out in this remote corner of the country and, at least, for the weekend, when North Korea was host to a conference aimed at luring foreign companies to invest in a free trade and economic zone it is setting up here.

[Foreign businessmen signed \$282 million in deals with North Korea during the conference. Reuters reported

Sunday. In addition to those agreements, which ranged from hotels to motorcycle plants, foreign executives initiated letters of understanding to explore other deals worth \$840 million, officials said.]

North Korea, by most estimates, is in dire straits. Its economic output has shrunk by an estimated 30 percent over the last five years, partly because the collapse of the Soviet Union left it without the oil and other supplies it used to obtain at cut rates.

Factories are at a standstill for lack of fuel. And serious floods in the last two years, combined with an inefficient agricultural system, have caused serious food shortages.

So North Korea, with the prodding and assistance of a United Nations development agency, is trying to introduce some of the economic reforms that helped invigorate areas like southern China.

"We have guaranteed investors free-

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Big Business Is Lining Up on Welfare

By Nina Bernstein
New York Times Service

NEW YORK — The new welfare law is still a matter of confusion in statehouses and city streets, but to some companies it already looks like the business opportunity of a lifetime.

The players are as diverse as Electronic Data Systems, the \$12.4 billion information-technology company that Ross Perot founded, and companies at least a thousand times smaller like Curtis & Associates, which supplements its successful welfare-to-work jobs clubs with such accessories as "motivational fortune cookies" at

\$3.99 a dozen. A sample message is, "The way to control your future is to work hard today."

The newest and most formidable entrant in a field once left largely to local charities and several small companies is Lockheed Martin, the \$30 billion giant of the weapons industry.

A nonmilitary division, Lockheed Information Services, is bidding against Electronic Data Systems and Andersen Consulting to take over \$563 million in welfare operations in Texas.

That is only the beginning, Lockheed executives say. Having hired two long-time federal welfare employees and top officials from Texas, Oregon and

Alabama, the corporation plans to market even more comprehensive welfare contracts to states and counties in what is potentially a new multibillion-dollar industry to overhaul and run welfare programs.

"We're approaching this marketplace the way we approach all other marketplaces," said Holli Ploog, senior vice president of business development at Lockheed Information Services.

It is a market that expanded overnight when President Bill Clinton signed a law to replace the 60-year-old guarantee of federal aid to poor children with

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America's Worry: Schools, Crime, AIDS

By Mario A. Brossard
and Richard Morin
Washington Post Service

WASHINGTON — American voters are looking sharply inward again this year, according to a Washington Post poll, with an agenda of deeply personal concerns that begin with the problems they face in their families, on their streets and in their communities.

Ask voters what they are worried about as the election approaches and this is what they say: They talk about the eroding quality of

public schools and the cost of a college education. "I wouldn't put myself sixty or seventy thousand dollars in debt for a college degree. I think that's staggering," said Ben Berry, 30, a software developer in Raleigh, North Carolina.

They talk about the escalating savagery of crime. "I know of people getting beat up in parking lots by gangs, being shot in the head, taking kerosene and putting it in people's faces and lighting a match," said Dawn Hardesty, 19, a sales clerk in Pickens, South Carolina.

They worry about AIDS. "I volunteer in a hospice and I see it starting to

spread to the young," said Jamie Thomas, 47, an administrative assistant at a Roman Catholic school in Milwaukee. "The teenagers, they don't practice safe sex. A lot of them think they're untouchable. They think it can only happen to gays and drug addicts, but that's not the case."

In a series of Post surveys, more than 6 in 10 respondents said they worried "a great deal" that America's education system will worsen, crime will increase and AIDS will spread.

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DUST OF WAR — A passerby covering her mouth as women sweep a street Sunday in Grozny, the Chechen capital. The Kremlin, challenging a peace accord, warned that the republic must remain part of Russia. Page 7.

Yeltsin Gets Clinton's Best Wishes

WASHINGTON (Reuters) — President Bill Clinton wished good health to President Boris Yeltsin, who is preparing for heart surgery, in a telephone conversation on Sunday, the Russian leader's press office said.

A duty officer said Mr. Yeltsin, 65, expressed his gratitude for the good wishes and for the readiness of U.S.

surgeons to take part in pre-operation consultations.

Doctors say the president, who has a history of heart problems, needs a bypass operation to increase the flow of blood. They have said that a U.S. heart specialist, Michael DeBakey, will be asked to take part in consultations to decide the date and details of the operation.

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What's There to Say About Britain's Weather? Plenty, It Seems

By Sarah Lyall
New York Times Service

LONDON — Britons have never been blessed with particularly interesting weather. They seem to spend most of their waking hours under a grim blanket of clouds.

So why is the British Broadcasting Corp. planning to devote three new broadcasts a week exclusively to the weather? And how to explain that by the end of October Britain will have two new

24-hour all-weather cable stations in operation?

In short, what is there to say? Plenty, apparently. Britons love talking about the weather.

"We're obsessed by the weather because it's a wonderful opening gambit for a shy race," said Bill Giles, the BBC's senior broadcaster.

"It's the only way we'd talk to anyone without being introduced," he said. "With Americans, you can know their life history within 10 minutes of meeting them, but here, we can sit in a train

compartment for five hours and just say, 'It's a fine day, isn't it?'"

Mr. Giles said that while it is true that British weather often appears gloomily uniform, each day actually brings many fascinating variations.

"We don't get your dramatic weather — the hurricanes, the tornadoes," Mr. Giles said. "Our weather, however, is much more variable, only gentler. We can have all four seasons in one day. What we have now is not what we might have in an hour."

But that presents a real problem for weather announcers in Britain, where weather is dependent on the lightning-quick vicissitudes of the ocean, the Gulf Stream and whatever winds happen to be blowing in from places like Siberia and Continental Europe.

While there are some definite regional differences — Scotland is colder than England, and the West sunnier than the East — the national picture,

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Newstand Prices	
Andorra	10.00 FF Lebanon
Arillas	12.50 FF Morocco
Cameron	1.800 CFA Qatar
Egypt	5.50 L.E. Saudi Arabia
France	10.00 FF Senegal
Gabon	1.100 CFA Spain
Greece	350 Dr. Tunisia
Italy	2.800 Lire U.A.E.
Ivory Coast	1.250 CFA U.S. Mail
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AT&T

Digging Out / China's Wild Floods

In the Shadow of Rivers

By Patrick E. Tyler
New York Times Service

GAOHUANG, China — When the summer of 1996 began, the endless landscape of the Yangtze River valley here was a symphony of labor, where legions of Chinese, buried to the waist in the rich greenery of China's grain belt, were bringing in the summer harvest.

But now this landscape, for as far as the eye can see, is a dismal palette of inundation: dead and rotting crops, floating above an ocean of mud and a sheet of floodwater that lies like a pestilence across the land.

Two months after parts of central China suffered some of the worst flooding in two centuries, millions of Chinese are still digging out — still waiting for local governments to help them rebuild their homes, farms and lives.

As they wait, a sober reckoning is under way among flood-control engineers. Even as they race to build more dikes, dams and reservoirs, the risk of catastrophic flood is increasing in many areas as riverbeds and catchment lakes fill up with sediment and shifting Asian weather patterns deliver more frequent and more intense summer monsoons.

This year in northern China, where the rain was not so intense, the Yellow River crested at the highest level in history, raising new fears that a big flood on the northern plain could breach the main dikes and kill an estimated 1 million to 3 million Chinese.

For those lucky enough to escape this year's flood, a long and bitter recovery lies ahead.

Wu Kaimin, 68, is one of the survivors and one of the victims. He lost his house, his farm and all his possessions in Gaohe on July 23 at 9:50 A.M., when the main dike holding back the Yangtze gave way to a 30-foot wall of water. More than half of the village of two dozen houses disappeared as people scrambled up damaged parts of the dike and watched in horror as the brown flood did its awesome work.

"First the tree collapsed and smashed the house, and then the house began to wash away," Mr. Wu said earlier this month as he stood outside the tent where he now lives with many members of his extended family.

"This is the property of a lifetime that we lost," he said. "I can't farm. I have no money. I have no house and winter is coming. Please tell

the government. We want some support."

A few dozen miles away, Liu Yueyi sat among a pile of bricks that was once her home, scraping mortar off the reusable ones. "Look at me," she said. "Here I am, over 70 years old, and I no longer have a home."

She and her husband had been fish farmers at Longkou, where town officials opened a dike Aug. 18 to relieve the pressure of the Yangtze. "All of our income came from the fish farm," she said, "but all the fish swam away in the flood. Now we are living one day to the next."

It has been this way throughout China's history. First comes the deluge, then the long recovery, which far outlives the world's notice of China's relentless and increasingly frequent — natural disasters.

A huge population only magnifies the devastation, as millions of Chinese are forced to live and farm in the shadow of high earthen dikes holding back the country's major rivers.

The strength and integrity of the dikes can only be tested when the torrent arrives. And where disaster strikes, for years afterward it saps the energy of the Chinese countryside and, over the centuries, has prevented Chinese in flood-prone regions from climbing out of poverty.

Under Communist rule since 1949, the government has put about \$27 billion, or 4 percent of all public spending, into water-control projects, including the construction of 120,000 miles of dikes. But that has still not been enough.

EVEN THE vaunted Three Gorges Dam, which is to be the world's largest flood-control and hydroelectric project, will only help when the summer monsoons drench the Yangtze River basin upstream from the dam site at Yichang in central China. That leaves more than 100 million people in the flood-prone regions of Hunan, Hubei, Anhui and Jiangsu provinces vulnerable to the kind of drenching that struck this summer.

More than 2,700 Chinese have died this year in floods, and more than 4.4 million were left homeless by floodwaters that also left at least 8 million acres of cropland unproductive for the balance of the year, according to United Nations estimates.

In 1995, more than 2,000 died in floods; in 1994 more than 5,000, and in 1991, 5,000 lost their lives in the largest flood of the decade. That disaster left 8 million homeless and damaged 35



More than 2,700 Chinese have died in this year's flooding, and millions of peasants in central China have lost everything.

million acres of cropland. With the decade scarcely half over, the death toll is more than 20,000.

The most devastating floods in this century have all taken place in China. In 1931, the Yangtze and Huai rivers roared out of their banks and killed 225,000 people. Two years later, a Yellow River flood killed 18,300. In 1954, the Yangtze surged again and killed 34,000.

The most lethal flood of the century was made in 1938, China's Nationalist leader, Chiang Kai-shek, blew up the Yellow River dike at Huayuankou to stop the invading Japanese Army. The flood killed an estimated 890,000 Chinese, but gained Chiang only three months.

While the Yangtze region was the scene of this summer's worst floods, the condition of the Yellow River diking system in northern China has entered a period of even greater danger, as the summer rains pushed the river to its highest recorded level. The Yellow River's crest of 94.73 meters — more than 310 feet — at Huayuankou in Henan Province occurred even though the volume of water was only a third that of a much greater Yellow River flood in 1958.

This means that the Yellow River is now so choked with mud that its bed has risen to a dangerous new height above the plain. In effect, the river flows "suspended" between dike walls at an elevation as much as 30 feet higher than the plain. Any major flood in northern China could breach the main dikes that contain the river.

Although China has made prodigious efforts to contain the torrent of its major rivers, the task of lifting its flood victims out of their misery often proves overwhelming and, in the end, millions of Chinese are left destitute.

For Westerners, often moved by the plight of China's flood-stricken poor, there is no certainty that donated aid reaches those who need it most. The Civil Affairs Ministry in Beijing has year after year mobilized immediate flood-relief efforts to rescue and evacuate flood victims, and to provide shelter and some food. But extended flood recovery remains the responsibility of local governments.

Statistics by the UN Department of Humanitarian Affairs tell the story. While more than 4 million were left homeless by the flood, the government reported distributing only 3,000 tents.

Report Faults Safety Agency For Airport Security Tests

By Pam Belluck
New York Times Service

NEW YORK — A government report on the Federal Aviation Administration's inspections of airport security says that in some cases administration agents overstated how well airports performed and made efforts to help airlines do well on the inspections.

The report on an audit conducted at 26 airports by the inspector general of the Department of Transportation found that some agents reported test results in a way that made the airports seem more secure than the tests had shown them to be.

And in evaluating the airlines, the report said, some agents "did not use realistic testing methods" and were trying "to give the air carrier every opportunity to pass."

The study also said that agents from the inspector general's office made their own efforts to evaluate security at the nation's major airports.

Government officials familiar with the report say the inspector general's agents were able to sneak fake bombs, disarmed hand grenades, guns and knives through metal detectors, and in some cases onto airplanes, in 40 percent of their attempts, down from the 75 percent recorded for a 1993 study.

That information, which was previously reported, was edited out of the report released last week because federal officials contended it might help terrorists trying to attack airplanes.

The problems with the Federal Aviation Administration's own inspections had not been known until now.

The inspector general's report does offer clear praise for the agency, saying that its testing procedures have improved significantly since the 1993 report, the inspector general's last on the subject. In a measure of how poor the agency's security evaluations were in 1993, the report notes that this time, the agents did actually find security problems in some cases.

"Contrary to previous, less aggressive inspections, FAA found some air carriers and airports were not complying with security measures as required," the report noted.

Seizing on that part of the report and ignoring the other findings, the aviation administration issued a press release, saying it was "very pleased that the IG has recognized its efforts."

The report was prepared during the tenure of Mary Schiavo, who as inspector general of the Department of Transportation was often highly critical of the Federal Aviation Administration. She frequently charged that it was too close to the airlines and was often unwilling to take tough actions against them. Ms. Schiavo resigned July 8 after clashing with the agency over safety standards.

Acting Inspector General Joyce N. Fleischman, her successor, said she considered the fact that the agency had developed procedures to test security to be "a major step forward," even if the procedures were not always followed.

TWA Probe Is Failing to Find Any International Terror Link

By Serge F. Kovaleski
and Pierre Thomas
Washington Post Service

WASHINGTON — After more than eight weeks of global intelligence gathering, authorities investigating the crash of Trans World Airlines Flight 800 have been unable to link the downing of the Boeing 747 to international terrorist groups, according to high-ranking law enforcement sources.

Although investigators have not ruled out mechanical malfunction as the cause of the disaster, criminal investigators have suspected from the start that it was the result of an explosive device and are confounded that a network of worldwide intelligence operations has failed to yield a useful connection between terrorists and the crash, which killed 230 people.

The overseas intelligence-gathering effort, which has included eavesdropping, use of informants and offers of large cash payments for leads, has been undertaken by the CIA, the National Security Agency and the Drug Enforcement Administration, as well as a number of foreign investigative agencies, the sources said.

Analysts, including some from the National Reconnaissance Organization, have also reviewed voluminous archives of intelligence — drawn from spy satellites, intercepted telephone calls and electronic eavesdropping — gathered before the crash to see if, in retrospect, there was any information relevant to the TWA disaster.

They have found nothing to resolve the mystery of the flight's demise, the sources said.

"Anyone who has indices out there

has been looking, but they are not getting anything," said a senior law enforcement official involved in the case. "If a sophisticated terrorist group did this, we should have picked up something by now."

Another high-ranking official said that there was a "growing anxiety" that this case "might be unsolved."

Although the inquiry will of course proceed at full strength, the law enforcement source said, "The evidence of a bomb is shaky, and evidence of a mechanical failure is even shakier."

Investigators said the death of intelligence could mean that, barring mechanical failure, an individual acted alone in sabotaging the jumbo jet. Or it could mean that responsibility rests with a type of clandestine terrorist cell that has emerged abroad that is smaller than better-known terrorist groups and minimizes communication among members.

Probers also continue to look at other possible motives for the downing of the jet, including jealousy, personal revenge, life insurance fraud or even suicide.

An intelligence official said, "U.S. intelligence cooperation in the investigation is substantial and ongoing," adding it might still be too early for signs of serious international terrorist involvement to have come to light.

Still, the absence of information pointing to a terrorist connection is particularly frustrating for federal law enforcement authorities, because they said recently that if a bomb or missile destroyed the aircraft they may have to try to build a criminal case based only on intelligence data and discovery of explosive residue traces found on wreckage from the plane.

The potential importance of intelli-

gence data has risen because investigators have not come up with key evidence from analysis of metal wreckage that would point to bomb blast damage — even though more than two-thirds of the 747 has been recovered from debris fields that investigators thought would provide them with the strongest clues.

Moreover, probers say the two confirmed tiny residue traces they have discovered so far are not conclusive proof of an explosive device. And some fear that prolonged immersion in salt water, plus strong currents from two recent hurricanes, have washed away any residue that might have existed.

The intelligence work has been concentrated largely on suspicious groups or individuals in the Middle East, North Africa, the Far East and those associated with Islamic extremism, according to law enforcement sources.

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TRAVEL UPDATE

'Giga World' Green Light
KUALA LUMPUR (AP) — An initial green light has been given for a \$4 billion, 12-kilometer-long "city" over the Klang River in Kuala Lumpur. A model of the project shows it will be a gigantic cylindrical building appearing to be suspended over the river. Inside the air-conditioned cylinder will be theme malls, offices, shopping arcades, parks and green areas, hotels, restaurants, apartments, police stations, fire fighting stations and other facilities. The first hurdle for the project was cleared when the Science, Technology and Environment Ministry approved the environmental impact assessment study submitted by the developers, who call it "GigaWorld."

Europe's 3 Prettiest Towns
EGER, Hungary (Reuters) — Europe's three most beautiful towns are in Belgium, Britain and Ireland, an international jury has decided. The Belgian town of Malmédy, Barnstaple, in western Ireland, and Skerries, on the east coast of Ireland, each won a golden award at the European competition of towns and villages in bloom. Nine European countries took part in the competition.

This Week's Holidays
Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:
MONDAY: Guatemala, Honduras, Japan, Malaysia, Mexico.
TUESDAY: Angola, Mauritius.
WEDNESDAY: Chile.
THURSDAY: Chile.
FRIDAY: Belize.
SATURDAY: Armenia, Bangladesh, Belize, Israel, Malta.
Sources: J.P. Morgan, Reuters, Bloomberg.

Hurricane Dies Over Mexico
The Associated Press
LA PAZ, Mexico — The hurricane designated Fausto crossed the Gulf of California early Sunday and broke up over the Mexican mainland, leaving one man dead and yachts washed up on Baja beaches. Fausto was downgraded to a tropical storm when its winds weakened from 85 miles an hour (130 kph) to 45 miles an hour after coming ashore before dawn near Topolobampo, a port hit hard last year by Hurricane Ismael. A 26-year-old American was killed at a trailer park.

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WEATHER

Forecast for Tuesday through Thursday, as provided by AccuWeather.

Region	Today	Tuesday	Wednesday	Thursday
Europe	High 100, Low 60, Partly Cloudy	High 90, Low 50, Partly Cloudy	High 80, Low 40, Partly Cloudy	High 70, Low 30, Partly Cloudy
North America	High 80, Low 40, Partly Cloudy	High 70, Low 30, Partly Cloudy	High 60, Low 20, Partly Cloudy	High 50, Low 10, Partly Cloudy
Asia	High 90, Low 50, Partly Cloudy	High 80, Low 40, Partly Cloudy	High 70, Low 30, Partly Cloudy	High 60, Low 20, Partly Cloudy
Africa	High 80, Low 40, Partly Cloudy	High 70, Low 30, Partly Cloudy	High 60, Low 20, Partly Cloudy	High 50, Low 10, Partly Cloudy
Oceania	High 90, Low 50, Partly Cloudy	High 80, Low 40, Partly Cloudy	High 70, Low 30, Partly Cloudy	High 60, Low 20, Partly Cloudy

هكذا من الأصل

THE AMERICAS

Tricky Imperatives in the Battle for Gay Rights

By Steven A. Holmes
New York Times Service

WASHINGTON — Two bills. Two votes. Two defeats for gay rights advocates. And one edifying lesson on how far they have taken their movement for equality — and how far they have to go.

Last week's votes in the Senate — on a measure permitting states not to recognize gay marriages legally performed in another state and on one to prohibit job discrimination on the basis of sexual orientation — were a clear illustration of the country's variegated view of homosexuality.

The marriage bill was approved by a lopsided 85-to-14 vote amid strident calls for lawmakers to defend the sanctity of heterosexual marriage. The employment measure was defeated by one vote, despite pleas that competent and dedicated workers should not be fired on the basis of whom they sleep with.

The mixed messages in the two votes reflect public ambivalence toward gay men and women. Opinion polls indicate that about 85 percent of Americans support equal rights for gay people in job opportunities, while about 60 percent oppose legally sanctioned gay marriages. To some gay-rights advocates, the differing views suggest how wide the gulf is between tolerance and full social acceptance of homosexuality.

And the public's ambivalence presents tricky questions of strategy for the gay rights movement. Its leaders say battles have to be chosen cautiously, tactics planned carefully.

"That's what you have to figure out," said Elizabeth Birch, executive director of the Human Rights Cam-

paign, a gay rights group. "What is the state of the soil? What can grow there? Where is it the most fertile?"

Other minority movements have recognized this strategic imperative. When he ran the NAACP Legal Defense Fund, Thurgood Marshall, the late Supreme Court justice, began with lawsuits to integrate graduate schools, reasoning that white and black adults attending classes together would be more immediately

NEWS ANALYSIS

acceptable to judges and the public than would racially mixed classes of children. It was only after he won legal precedents that he went after the more emotionally charged issue of integration for schoolchildren.

So is America similarly more disposed to one small step at a time for gay men and women — like equality in the workplace — rather than one giant leap for gay humankind, like fully sanctioned marriages?

"I think when people think of marriage, they think of sex," said Bridget Quinn, a federal worker in Washington and a lesbian. "When people think gay and sex in the same place, it unnerves them. But when you think of the workplace, they think of colleagues, people doing the same thing they do. And they think, 'Why shouldn't Bridget be protected the same way I'm protected?'"

When people — gay or straight — think of marriage, they also tend to think of a religious ceremony, one that involves lifelong vows made before God. Given the Biblical strictures against homosexuality, it is not surprising that many people see sacrifice in gay marriage ceremonies. "People aren't against gay marriage; they're against gay weddings," said an advocate

of gay rights who asked not to be identified.

A survey conducted in May by Lake Research, a Democratic polling firm, found that 67 percent of the respondents felt gay marriages went against their "religious beliefs."

But when the issue of rights for gay couples is framed in nonreligious contexts, society appears more sympathetic — to extending gay employees' health benefits to their domestic partners, for example.

Over the years more than 300 companies, including Apple Computer and Eastman Kodak, have quietly set up programs to extend benefits to the partners of gay employees. Walt Disney Co. has steadfastly maintained such a policy even in the face of boycott threats by conservative Christian groups. In the same Lake Research survey, 61 percent of respondents supported "inheritance rights for gay spouses."

Such gauges of opinion raise strategic concerns for gay people that are perhaps more critical than those facing other groups, like blacks and women. This is in part because, beyond the general indifference or hostility that homosexuals and lesbians face, gay rights leaders are leading a relatively small army.

The National Opinion Research Center at the University of Chicago found, in a rigorous and much-cited survey in 1994, that only 2.6 percent of adult men and 2.5 percent of adult women reported engaging in homosexual sex during the previous 12-month period.

Some argue that the percentage of gays in the United States is much higher. But if their numbers are that small, gay people, much more than blacks or women, are more dependent on persuasion and the sympathy of strangers than sheer electoral clout.

ELECTION NOTES



SHOW OF SUPPORT — Bob Dole and Pat Robertson cheering each other in Washington at the Christian Coalition's annual convention.

For Dole, Home Is Where the Speech Is

MONTPELIER, Ohio — One thing about having as many home states as Bob Dole claims is that he can always feel at home. Last week, as the Republican presidential candidate scoured the South and the Midwest for votes, he pronounced himself home in six important battleground states.

Mr. Dole, Kansas born and bred, was simply following in the fine tradition of numerous presidential aspirants before him, most notably George Bush, who declared himself at home almost everywhere he went.

But for Mr. Dole, the references to various homes carries something of a risk. While they may create the illusion of a shared heritage with his listeners, his references are almost always to his World War II days — ancient history to many voters and yet another reminder that the former senator, 73, is surely the last of his generation to seek the presidency.

In Kentucky, for example, he told nearly 1,000 supporters at a rally at Georgetown College: "I've been coming to Kentucky for a long, long time. In fact, before all these outstanding young people behind me were born, because I was in Camp Breckinridge during World War II." This entitled him, he said, to "properly claim Kentucky as a home state." (NYT)

Gore's Mission: Do No Harm

SOUTH PORTLAND, Maine — With the Clinton-Gore ticket sailing comfortably along, one of Vice President Al Gore's unstated campaign strategies seems ever apparent: Do no harm.

No matter how pointedly he expresses his views, Mr. Gore goes to great lengths to cast his words in a positive light. He fights any inclination to say something negative about Mr. Dole, whom he always characterizes as a "good and decent man

who has earned the respect of the American people."

"We're not saying he's a bad person," Mr. Gore said of Mr. Dole at Southern Maine Technical College, where the subject was job training. "He just has bad ideas."

The vice president almost never mentions Mr. Dole's running mate, Jack Kemp, preferring to link Mr. Dole with the House speaker, Newt Gingrich, in any denunciation of Republican initiatives.

At most stops on a five-state swing through the Northeast that ended here Thursday, Mr. Gore delivered variations of the same 30-minute speech, about half of it extolling President Bill Clinton's first-term accomplishments and the rest highlighting an issue like education or job creation to point out sharp differences with the Republicans. (NYT)

Dole 0, Motown 1

WASHINGTON — Facing the threat of a lawsuit, the Dole campaign has decided to abandon its unofficial anthem "Soul Man," a 1967 Motown hit whose reprise, "I'm a soul man," morphed into "I'm a Dole man" at countless rallies this summer.

Mr. Dole's strategists changed their tune after one of the song's owners, Rondor Music International, sent a blistering letter accusing the campaign of flouting federal copyright law.

For a few days afterward, the campaign reverted to playing the unadorned version of "Soul Man" at rallies, absent the "Dole man" signature. But on Wednesday, the campaign's general counsel faxed a letter to a Rondor vice president, Mary Lee Ryan, declaring surrender. (NYT)

Quote/Unquote

Pat Robertson of the Christian Coalition welcomed a visit from Mr. Dole to a coalition conference by saying it would take "a miracle from Almighty God" for Mr. Dole to win the presidency and added: "It's not the economy, stupid — it's morality, stupid, and that's where the issue's going to be decided in this campaign." (NYT)

Under Pressure, Clinton Issues Report on His Health

By Peter Baker and David Brown
Washington Post Service

WASHINGTON — President Bill Clinton has released additional medical information in an attempt to answer Republican criticism that he was not giving Americans a full account of his health. An 11-page summary said Mr. Clinton "has no history of hypertension, diabetes, tuberculosis, sexually transmitted disease, cancer, stroke or heart disease."

The statements from doctors who examined Mr. Clinton did not list any significant conditions or medications that had not previously been disclosed by the president, and was an attempt by the White House to put to rest an issue that has followed Mr. Clinton since his 1992 campaign, when he refused to disclose his medical records.

"It'll be clear from this that he has a

medical history that's clean," said the White House press secretary, Michael McCurry. "It's a very comprehensive evaluation of the president's health."

Bob Dole, 73, who has issued a comprehensive medical history in part to answer questions about his age, pressured Mr. Clinton again last week to disclose more than the summaries that describe his annual physicals. "I gave him all of mine," the Republican candidate said last week.

"It's a matter of principle, if nothing else," said Christina Martin, a Dole spokeswoman. "What does a 50-year-old, healthy-looking, physically active man have to hide? The mystery around these records has been fueled more by the White House than by the Dole campaign."

The report reveals no serious illnesses, and has much evidence of good health, but Mr. Clinton has a few minor ailments.

He has gastroesophageal reflux disease, in which acidic fluid in the stomach occasionally rises into the throat, causing heartburn and, in some cases, hoarseness. He takes a nonsteroidal anti-inflammatory for seasonal allergies.

His other medical problems include actinic keratosis, a common skin condition from excessive exposure to sun; occasional lower back pain and left shoulder tendinitis from an old skiing accident, and high-frequency hearing loss, none surprising at his age.

Mr. Clinton's heart rate is slightly slower than normal, which is often a sign of physical fitness, and his cholesterol is 191, in the "desirable" range. He completed a treadmill test without any abnormalities.

The president's medical report is less detailed than Mr. Dole's, which included extensive laboratory and physical examination reports. Mr. Dole's

medical history, however, is much more complicated than Mr. Clinton's.

The report said Mr. Clinton tested negative for HIV in a 1990 test that was required for insurance purposes.

In 1993, Burton J. Lee 3d, President George Bush's personal physician, held overtemporarily after the 1992 election, was abruptly dismissed. Dr. Lee said he was fired when he refused to administer an allergy shot without more detailed medical history, but the White House said the president simply wanted to pick his own doctor.

More than one administration has misled the nation about the president's condition, from Woodrow Wilson's incapacity from a stroke in 1919 to the seriousness of Franklin D. Roosevelt's polio. But discomfort has resulted from the other extreme, such as the televised charts of Ronald Reagan's colon when he underwent surgery in 1985.

Away From Politics

• Miss Kansas, Tara Dawn Holland, was crowned Miss America in a nationally televised ceremony where viewers got to help select the winner. For the first time, viewers could call in and vote on which of the 10 semifinalists they liked to narrow the field to five finalists. The final decision on the winner was solely up to the seven judges. (AP)

• More than one-third of the suspects charged in recent months in the burning of predominantly African American churches across the South are black, according to federal law enforcement officials. (WP)

• A 4-month-old girl was in critical condition after nearly drowning during a baptism at a Washington church, officials said. The girl suffered brain damage after being dunked three times into a baptismal tub at the Imani Temple. Archbishop George Augustus Stallings Jr., founder of the Imani Temple, said that the child's mother had insisted on a full-immersion baptism despite protests. (WP)

• Being bugged in New York City? The Police Department has started a toll-free telephone line allowing residents to report loud radios, aggressive panhandlers and other nonemergency violations of law or city ordinances. Police Commissioner Howard Safir said the new service was developed to provide residents a convenient way to report minor annoyances while reserving the 911 system for emergencies. (NYT)

Hawaii's 'Sovereignty' Vote

Polynesians' Descendants Favor a Native Government

New York Times Service

NEW YORK — More than 30,000 descendants of Hawaii's original Polynesians, who mailed in ballots this summer in a special state-sponsored plebiscite, voted nearly 3 to 1 in favor of creating some sort of native Hawaiian government, according to election officials.

The results, released Friday after court challenges held up their disclosure for days, meant that groups in favor of an as-yet-undefined form of Hawaiian sovereignty would go forward with plans to hold a constitutional convention, probably in 1998, to decide exactly what kind of native government

they want. Proposals range from full independence to plans to create something like an Indian reservation on parts of the 50th state.

"This is the dawn of a new age," said Tara Lulani McKenzie, executive director of the Hawaiian Sovereignty Election Councils, which was created to organize the plebiscite. "This is our time in history."

Not everyone agreed with that assessment.

The largest native Hawaiian rights group, Ka Lahui Hawaii, denounced the election results as invalid. It said that because more than 80,000 ballots were mailed out and only about 30,000 valid ones were mailed back in, native Hawaiians had largely boycotted the vote.

Election officials disagreed, countering that 40 percent was a respectable turnout for a mail-in vote. Hawaii became the 50th U.S. state in 1959.



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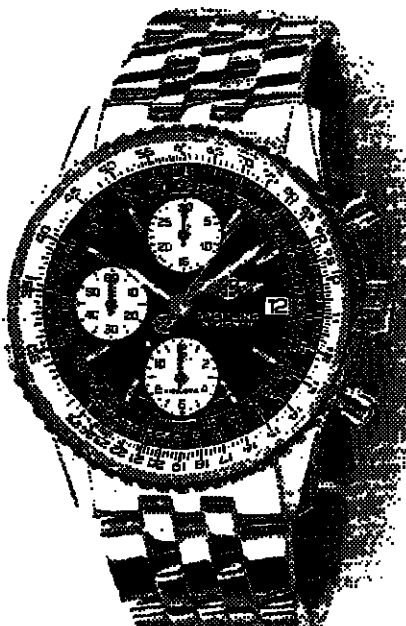
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Herald Tribune
THE WORLD'S DAILY NEWSPAPER

ASIA/PACIFIC

Afghan Coalition Faces Increasingly Strong Foe

U.S. Sees a Kabul-Taliban Stalemate

By Kenneth J. Cooper
Washington Post Service

KABUL — A new coalition government has risen above being just another of the warring factions here and has made peace with several foes, but it faces an increasing challenge from its last foe — an Islamic militia that holds two-thirds of the country.

Since factions of Islamic warriors called mujahidin drove Soviet occupation troops from Afghanistan in 1989 and toppled a Communist government three years later, four years of civil war have seen many military reversals, broken alliances and defections among Afghanistan's factions, which tend to be ethnically based and supported by other nations in the region.

Since May, however, the government of President Burhanuddin Rabbani has persuaded three major factions to accept peace terms that have brought a militia leader, Gulbuddin Hekmatyar, back to the prime minister's office and reopened a strategic highway to central Asia. Despite continued friction over accusations that Pakistan has aided the Afghan government's adversaries, officials here say they have improved relations with its eastern neighbor, which has promised to reopen an embassy in Kabul after a year's absence.

Yet even as Mr. Rabbani's government has consolidated its position here in the besieged capital, militia forces of an Islamic group known as the Taliban have swept through three southeastern provinces in the past week and now control roughly two-thirds of Afghanistan. The militia has been attacking the capital from the south and west with rockets since October, and opening a third front on the east could stretch government forces and threaten the only airport currently serving Kabul.

The Taliban responded to government steps toward peace by raining rockets on Kabul. It also did so when Mr. Hekmatyar rejoined the government, when the link to Central Asia was reopened and when a new UN mediator, Norbert Hol of Germany, arrived in the city.

The high cost of food, fuel and other essential items has made many of the capital's residents eager for any leader who can bring peace, whether from the current government, the Taliban or the deposed king, Mohammed Zahir Shah.

"Whoever can bring peace here and whoever can bring food for the people, we will accept," said Ghulam Mohi-uddin, 65, who runs a sidewalk bicycle-

repair shop in a section of southern Kabul that lies in ruins.

The Taliban emerged as a fighting force suddenly in 1994 and draws its name from students of Islamic religious schools in bordering provinces of Pakistan. The militia controls 17 of 33 provinces, compared with the seven in government hands, and in those areas it has established a strict Islamic regime that does not allow girls to attend schools or women to work outside the home except in the health professions.

The Afghan government has accused Pakistan of backing the Taliban, which Pakistan denies. State Department officials have asserted privately that Pakistan at least has provided the militia with valuable fuel for tanks and aircraft. Pakistan and Afghanistan's other neighbors — Iran, Uzbekistan, India and Russia — have chosen favorites in the fighting because of their interest in opening trade routes through the landlocked nation and installing a friendly government in a traditional buffer state between South and Central Asia. The State Department has shown renewed interest in the conflict because of Afghanistan's role as a major exporter of international terrorists and heroin.

Despite the Taliban's dominant position, the U.S. Defense Intelligence



Taliban rebels setting up a multiple rocket launcher in the eastern Afghan province of Laghman.

Agency has concluded that none of Afghanistan's factions is strong enough to subdue all the others and has predicted a stalemate unless there is a negotiated settlement.

The Taliban has rejected the Kabul government's offers to negotiate, saying the Rabbani regime, which took power in 1992, is illegitimate because Mr. Rab-

bani was supposed to have resigned last year under a UN accord. Mr. Rabbani is part of a ruling triumvirate with Mr. Hekmatyar and a top military commander, Ahmed Shah Masoud.

As the prime minister, Mr. Hekmatyar has moved to undercut the Taliban's political base by pronouncing similarly strict Islamic laws, except for educa-

tional and work restrictions on females.

Jets Bomb Rebel-Held City

Afghan government jets bombed the Taliban-held eastern city of Jalalabad on Sunday, killing five people, Reuters reported from Islamabad. UN sources said the planes attacked the airport, the governor's palace and a hotel.

BRIEFLY ASIA

Hong Kong Marchers Protest Japan's Claim on Islands

HONG KONG — More than 10,000 demonstrators marched through central Hong Kong on Sunday to protest Japan's claim to a group of disputed islands in the East China Sea.

The demonstration was the largest in a wave of anti-Japanese protests sweeping the British colony, which was set off by Japan's sovereignty claim over the islands, known as the Diaoyu in Chinese and the Senkakus in Japanese.

Protesters shouted "Get out of Diaoyu Islands" as they marched from Victoria Park to the central business district, where the Japanese Consulate is situated.

Kashmir Separatists Gassed

SRINAGAR, India — Police teargassed protesters during a strike called by separatists on Sunday as Kashmir prepared for another set of assembly polls. The election, the first in nine years, is opposed by

separatist rebels fighting against the Muslim majority region's inclusion in Hindu-dominated India. Indian security forces were concentrated in the 34 assembly constituencies that go to the polls on Monday, which will be the second day of a four-stage vote.

Separatist groups held sporadic demonstrations in Srinagar, summer capital of the state of Jammu and Kashmir, said Javed Ahmed Mir, a leader of Jammu and Kashmir Liberation Front.

U.S.-Taiwan Ties 'Closer'

TAIPEI — The U.S. deputy Treasury secretary, Lawrence Summers, said Sunday that Washington's economic ties with Taipei were becoming increasingly close.

Mr. Summers, the highest ranking U.S. official to visit the island since 1994, arrived in Taiwan on Saturday for trade talks Monday with Taiwanese officials.

Mr. Summers and his delegation were scheduled to meet Hsu Ke-sheng, the deputy economics minister, and other economic and foreign affairs officials.

"I very much am looking forward to our economic

dialogue," Mr. Summers said on state television. "Our economic relations are increasingly close, and I think we will have a lot to discuss and to work together." He did not specify which issues the two sides planned to discuss.

For the Record

Japanese experts have ruled out official negligence as a factor in a tunnel collapse that killed 20 people, according to a report released Saturday. "It is technically impossible to have detected fissures in the rock that would have caused the accident," the report said. A boulder the size of a 12-story building crashed through the mountain tunnel in the fishing village of Furubira, about 900 kilometers (about 550 miles) north of Tokyo, on Feb. 10, crushing a bus carrying 19 people and a car with one.

Rollerskating and skateboarding will be banned in Hanoi as of next month to make the capital's streets less dangerous, media reports said Saturday. Rollerskating has become increasingly fashionable in Vietnam's cities, where wheeled youths often cling to the back of motorbikes.

Cambodians Hope Pardon For Ieng Sary Advances Peace

Compiled by Our Staff From Dispatches

PHNOM PENH — The royal pardon conferred on the dissident Khmer Rouge leader Ieng Sary should put Cambodian peace talks back on track, government officials asserted Sunday.

Ieng Sary had been sentenced to death, in absentia, for his role in the deaths of more than a million people from execution, disease, starvation or overwork in labor camps. He was foreign minister under the Khmer Rouge when it ruled Cambodia from 1975 to 1979.

Hun Sen, second prime minister, said Saturday of the pardon: "I consider it a golden opportunity for the Cambodian people to end the war and for national reconciliation." He added that military commanders of both sides would resume talks in the next few days.

But a Western diplomat, asking for anonymity, hinted that the pardon could present some foreign policy complications.

"We think it's going to cause some consternation in the international community," he said. Others agreed, saying that some Western nations would review their aid programs to reflect their disquiet that Ieng Sary was being forgiven for his part in abuses.

Brushing aside foreign concerns, Foreign Minister Ung Huot said he supported King Norodom Sihanouk's decision to grant the pardon "because it is the way to end the war and to bring peace to Cambodia."

King Sihanouk signed the amnesty on Saturday in the interests of reconciliation and at the request of the nation's co-prime ministers, Prince Norodom Ranariddh and Hun Sen. But he, too, reportedly had reservations about pardoning a guerrilla leader.

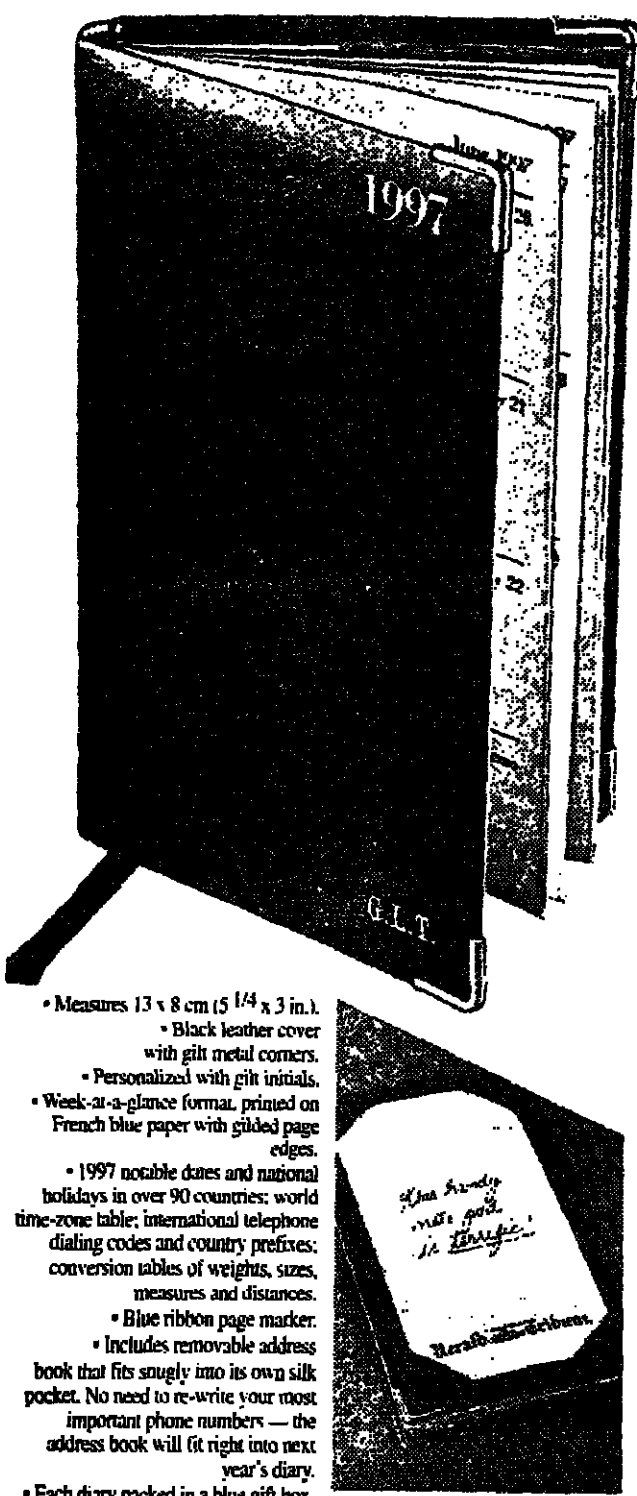
Hun Sen said the king had agreed to the pardon after two-thirds of the 120-member Parliament had signed the motion. But lawmakers contacted Sunday said they had not been consulted and were surprised there had been no debate.

Ieng Sary asserted Sept. 8 that he was not involved in the genocide during the Khmer Rouge reign and said the government should clear up his legal status before peace talks could advance.

The Khmer Rouge, then in alliance with Prince Ranariddh and King Sihanouk, fought Hun Sen's Vietnamese-backed government until signing a UN brokered peace accord in 1993. It reneged on that pact and has been fighting the Ranariddh-Hun Sen coalition that emerged from elections in 1993.

Ieng Sary and thousands of his guerrillas split from the Khmer Rouge last month and struck a truce with the government.

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EUROPE

Anxiety Is Showing on EU Reform

By Tom Buerkle
International Herald Tribune

BRUSSELS — It is well before the halfway point of the European Union's intergovernmental conference, designed to reform the bloc for the 21st century, and already a hint of crisis is in the air.

At the European Commission, the Brussels-based EU executive agency that harbors high ambitions for deeper European integration, officials have begun to despair that lack of progress in the reform talks could impede plans for eastward enlargement, the goal the conference is supposed to make possible.

"If we continue in this way, we will have troubles with enlargement," a senior commission official said.

France and Germany are showing signs of impatience with their partners, a reflection of fears that if the reform talks do not end on schedule by June, they could interfere not only with the decision to launch a single currency but also with French and German parliamentary elections, all scheduled for 1998. Paris and Bonn have promised a joint initiative this fall to accelerate the talks and narrow the number of issues under discussion.

Other European countries continue to press their pet projects, a grab bag ranging from constitutional clauses on employment and civil servants to wider EU powers to fight international crime and protect the environment.

The situation may be regrettable for those who wish Europe could achieve a

level of political purpose and effectiveness to match its economic weight. But it provides an accurate picture of the divergent aims of the Union's 15 members, and one that urges caution about the bloc's ability to deepen its integration as it plans to nearly double in size.

Already, senior officials are playing down expectations for a special summit meeting of EU leaders in Dublin on Oct. 5, organized at the behest of President Jacques Chirac and Chancellor Helmut Kohl to get the negotiations moving.

Niels Erbsboll, Denmark's negotiator at the talks and one of Europe's most experienced diplomats, said it was "absurd" to talk of a crisis or a stalemate when EU leaders have already decreed that the negotiations will end no sooner than June. "Nothing will be decided until the last weeks, and perhaps the very last days," he said.

He also warned that France and Germany would run into strong opposition if they sought to limit the conference agenda to their priorities, a view echoed in many smaller countries. The conference "has to meet the concerns of all the members," he said. "If it doesn't, it doesn't work."

Despite the diplomatic groaning, there is substantial agreement on what the Union's top reform priorities should be.

They include streamlined decision-making procedures to avert paralysis if the Union accepts all 12 countries that it has promised membership; a more effective common foreign policy; and

closer cooperation on immigration and asylum policies and in fighting international crime and drug-trafficking.

Agreement quickly falls apart on the details, though. The group's foreign policy hesitations were aired publicly in Tralee, Ireland, on Sept. 7 and 8 when EU foreign ministers were eloquent about the need for a stronger foreign policy while failing to reach a common position on Iraq.

As for decision-making, small countries like Luxembourg and Denmark are digging in their heels against proposals to link voting power more closely to population and limit the number of commissioners to less than one per member state, both prime aims of the Union's five large states.

EU negotiators will hold their first detailed discussion of these institutional matters, including the question of whether to curtail national veto power over EU policies, at a meeting in Brussels on Monday and Tuesday. But as these issues go to the heart of power-sharing, almost everyone agrees they will be the last to be resolved.

Even between Paris and Bonn, the differences are striking. France has championed the idea of an EU foreign-policy emissary, and even suggested former President Valéry Giscard d'Estaing for the post, to give the bloc a clearer voice in world affairs. Bonn remains lukewarm, however, and so far is only willing to consider the position if it is held by a bureaucrat.



NEW GERMAN VOICES — Sixteen- and 17-year-olds casting ballots in local elections in Lower Saxony, where the voting age has dropped from 18 to 16.

Q & A / Marc Uyttendaele

Belgian Scandals: Taking the Pulse

The discovery last month of a pedophile ring allegedly run by Marc Dutroux, and the recent arrests of a former regional minister and five others for the 1991 killing of Andre Cools, a former deputy prime minister, have shaken confidence in the integrity of Belgium's political and judicial systems. Marc Uyttendaele, a professor of constitutional law at Brussels Free University, spoke with Tom Buerkle of the International Herald Tribune.

Q. What is your opinion of the shock caused by the Dutroux and Cools affairs?

A. We have to distinguish between the two affairs. The Dutroux case is horrible, but it is still just a crime. The same thing happens in every country. The Cools case is different because it is a political crime. It is relatively rare that a senior politician is killed.

Q. But what about the indications and suspicions of complicity by officials within the judiciary and the police?

A. That is the real question. It could be a result of problems in the system. Namely, there were errors. People made mistakes. They didn't believe in a certain line of inquiry. In both affairs there was a common thread — too much time was lost.

The second explanation is much more serious — that a certain number of individuals in the state apparatus consciously saw to it that time was lost, or that mistakes were made. What bothers me today is the tendency to affirm the second explanation as a fait accompli. Let's wait for the evidence. That's why the investigation into the investigations is more important than the investigations themselves.

Q. What can be done now to restore confidence in state institutions?

A. The only way to restore confidence is with absolute transparency. The investigations need to be carried out swiftly and completely in full openness. We also must avoid any ducking of responsibility.

Q. Whose responsibility is it to guarantee the integrity of the investigation into the investigations?

A. The king has no power, but he gave the impression of taking control. It was done in agreement with the government, which is an admission of weakness by a fearful government.

Parliament has two basic missions — control and legislation. It's very clear today that given what has happened, given the fears of the population and all the failings of the system, Parliament must exercise as much control as possible. It is essential that Parliament immediately establish an investigating committee.

Q. What are the implications of the scandals for the federal state? There are criticisms that both affairs took place in Wallonia, that Mr. Dutroux was on welfare, that the Walloon Socialist Party of Mr. Cools operated as a sort of mafia.

A. That seems to me a bit of a caricature. The Dutroux affair created something very rare in this country — that is, a common reflex. The Walloons reacted in the same way as the Flemings. And nobody dreamed of mixing that up with the problems of Belgian federalism.

The Cools affair is little different, but without proof to the contrary, it's not an entire party that is affected but some men in the party.

Belgium is a country that is at once fragile and strong. Fragile because it is without a strong national sense. Strong because this lack of patriotism has made Belgium a laboratory of coexistence between two very different populations.

BRIEFLY EUROPE

U.K. Papers See New IRA Truce

LONDON — The IRA's top leaders plan to meet for the first time in 10 years in a move that could herald an end to the guerrilla group's violent 27-year campaign to drive Britain from Northern Ireland, newspapers reported Sunday.

Several Sunday newspapers here said the shadowy General Army Convention would meet as early as next month — 10 years after its last gathering — to decide policy for the years ahead.

"If the Army Convention were to meet now, it would almost certainly be to seek endorsement of a formal announcement that the IRA campaign is over," the Observer said.

The Sunday Express said the Irish Republican Army could even be ready to give up some of its weapons as a gesture to gain entry for its political wing, Sinn Féin, to talks on the future of Northern Ireland.

The convention is made up of delegates from all the IRA's units, commands and brigades, according to the Sunday Times. "It is the IRA's supreme authority and the only body with the power to declare permanent peace," it added. (Reuters)

Paris Leaps Into Turk-Greek Fray

ATHENS — France is ready to help Greece and Turkey solve their differences, according to Prime Minister Alain

Juppe. He urged the two NATO allies to reach agreement through the principles of international law.

"Differences must be solved through international organs and the International Court of Justice," Mr. Juppe said Saturday after a meeting with the Greek prime minister, Costas Karamanlis. "France is prepared to help solve the differences between Greece and Turkey and the two communities on Cyprus."

Greece and Turkey also are divided over sea and air rights in the Aegean Sea and a deserted islet that Athens says belongs to Greece under international treaties. (AP)

Le Pen Leads March in Marseille

MARSEILLE — The extreme-right French politician Jean-Marie Le Pen, ignoring charges of racism, led supporters on a tightly policed march to mourn a white teenager allegedly killed by a youth of Arab origin.

The marchers shouted "France for the French" and "Le Pen for president" as they walked through the city Saturday, guarded by hundreds of police and heckled by counter-protesters who booed and denounced the marchers as racists.

The police estimated that 2,000 people attended the rally for Nicolas Bourgat, 14, who was stabbed to death on Tuesday. The boy's father, a doctor, was among many who pleaded against the march, saying he did not want his son's death used for political ends. (Reuters)

The EU This Week:

International Herald Tribune

Events of interest this week in the European Union:

• Agriculture ministers meet in Brussels on Monday to discuss a European Commission proposal to cut aid to cereal farmers as a way to finance new measures to support beef prices. Ministers also are expected to press Britain to carry out a plan to slaughter more than 100,000 cattle to help eradicate bovine spongiform encephalopathy, or "mad cow" disease.

• Annual debate opens Wednesday on the State of the Union, at the European Parliament in Strasbourg. A key issue is the slow pace of EU reform negotiations at the intergovernmental conference. Speeches by the commission president, Jacques Santer; Prime Minister John Bruton of Ireland, holder of the EU presidency, and Klaus Hansch, president of the Parliament.

• Trade ministers meet in Dublin on Wednesday and Thursday to agree on the EU's strategy for the ministerial meeting of the World Trade Organization in Singapore in December. Key issues: Will Britain join the rest of the EU in supporting a clause to guarantee union rights and outlaw child and prison labor? And will 15 ministers give Sir Leon Brittan, the trade commissioner, a free hand to pursue WTO talks on investment and competition law?

• Finance ministers and central bank officials meet in Dublin on Saturday to seek agreement on the last major building blocks for a single currency, including a German plan to enforce low budget deficits after 1999.

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INTERNATIONAL

Launching of Independent 'Padania' Gets Off to a Choppy Start in Italy

By Celestine Bohlen
New York Times Service

VENICE — Unfurling the banners of the still-mythical state of Padania, Italy's small but flamboyant secessionist movement steamed into this northern lagoon city Sunday, escalating its improbable challenge to Italian unity with mix of medieval pageantry and political bombast.

But the long-awaited independence day rally, which took place under bright sunny skies, fell far short of expectations. Only several thousand supporters — decked out in green shirts, caps and kerchiefs — gathered on the banks of the Grand Canal. As the crowd milled below a sea of colorful flags, shopping for exotic Padania memorabilia, the mood was more of a small town party than the beginnings of a separatist rebellion.

Ending a three-day boat trip that took him down the River Po to an embarkment along the Grand Canal, Umberto Bossi, the movement's increasingly belligerent leader, came under attack from an array of Italian political leaders who mounted an all-out effort to stop his secessionist bid dead in its tracks.

Speaking in the southern city of Bari on the eve of Mr. Bossi's declaration of independence, President Oscar Luigi Scalfaro of Italy issued a new warning to the secessionists. "The state guarantees freedom of expression, but cannot tolerate incitement to illegal acts," said Mr. Scalfaro. "A democracy that is afraid to apply the law when the need arises would not be worthy of the name."

Borrowing phrases from the American Declaration of Independence, Mr. Bossi launched into a tirade against the "colonialists" in Rome who, he said, have

robbed the north of Italy of its hard-earned money and its own cultural identity.

Mr. Bossi's elaborately staged spectacle met with a tepid response. The voyage — an ambitious 650-kilometer (400-mile) journey along one of Italy's most historic valleys — had its moments of farce, when water levels at one point were too low to keep the Bossi entourage afloat, forcing them to resume the journey by car. At another point, lights that were to flash the word Padania onto a night sky failed to go on.

At one of the many counterdemonstrations, held Sunday in Milan by the far-right National Alliance party, an estimated 150,000 people sang the Italian national anthem after listening to the party leader, Gianfranco Fini, declare: "Italy is here. It will not be insulted and it will not be divided. Secession and division are an insult to history, and an

insult to reason." The birth of Padania — the name chosen by Mr. Bossi for an undefined area stretching north of the River Po — is the latest expression of a protest movement that began in the mid-1980s as regional revolt against the corruption, mismanagement and inefficiency that, for many northern Italians, have become synonymous with Italy's central government.

After last spring's parliamentary elections, which saw Mr. Bossi's Northern League win 10 percent of the national vote, but as much as 40 percent in some of Italy's richest northern regions, Mr. Bossi redefined its goals — moving away from calls for greater federalism to a battle cry for outright independence.

In the weeks building up to the declaration of "independence" Sunday, Italy's mainstream political leaders have struggled to come up with an appropriate

response to Mr. Bossi's challenge, alternating between ridicule and alarm. Even the Roman Catholic Church has weighed in, with a pastoral letter by Cardinal Carlo Maria Martini of Milan branding any attempt to break up Italy as "demagoguery and adventurism."

But as many political observers noted in the steady stream of commentary issued in anticipation of Mr. Bossi's next move, the 55-year-old former hospital orderly has already succeeded in placing himself at center stage and shaking the political establishment out of its complacency.

In making the argument for a "free Padania," Mr. Bossi and his small circle of advisers have argued that in an era of an increasingly unified Europe, regions — rather than traditional states — need to be better represented.

The three-day "March to the Sea"

began Friday on a mountain plateau where Mr. Bossi, in one of his symbolic gestures, held high a Venetian-made flask containing water from the source of the River Po, meant to be a baptism of Padania.

Like the Northern League's flag, which shows a medieval warrior raising a broadsword against the background of a red-on-white cross, the flask — and the accompanying emblem of Padania's green six-rayed "Alpine Sun" — is designed to give the new state the trappings of a mythology, as if to make up for its lack of history.

"Mr. Bossi has figured out that the only way to get attention is to be outrageous," said Patrick MacCarthy, a professor at the Bologna-based Johns Hopkins Center for International Affairs. "But Bossi's support doesn't come from people like Bossi."

In Turkey, Only Silence

Prime Minister Bafflingly Quiet on Iraq

By Stephen Kinzer
New York Times Service

ISTANBUL — For years before he came to power in June, Prime Minister Necmettin Erbakan preached the gospel of Muslim solidarity and promised that his Islamic-based Welfare Party would build a mighty alliance uniting Turkey with Iran, Iraq, Syria and other nearby countries.

When fighting broke out in northern Iraq two weeks ago, many Turks waited anxiously to see how Mr. Erbakan would react. But to the surprise of almost everyone, he has not reacted at all.

The clashes between Kurdish groups backed by Iran and Iraq have apparently left Mr. Erbakan's grand dream of an "Islamic NATO" in shambles. His reaction to the first regional crisis of his tenure has been to disappear from public view.

To the astonishment of Turkish voters and the disappointment of many supporters, Mr. Erbakan, who as an opposition leader denounced the 1991 war against Iraq as "Zionist aggression," has had nothing to say about the U.S. missile attacks on Iraq this month. Nor has he made any effort to mediate between Iran and Iraq or to influence warring factions of the Kurds, who are also Muslims.

The Turkish press has been full of images of Foreign Minister Tansu Ciller meeting with top military officers and U.S. diplomats over such issues as the raids on Iraq, Turkey's desire to control a strip of northern Iraq as a "security zone," and U.S. plans to evacuate thousands of pro-U.S. Kurds from Iraq.

Mr. Erbakan's silence on these issues is a striking contrast to his fiery cam-

paign language last year. Militants in the Welfare Party have become restive, setting off feuds that could seriously weaken both the party and Turkey's fragile coalition government.

"There is not a single word from Erbakan," former Prime Minister Mesut Yilmaz said. "Right now, Turkey is not being governed. The problem is not that they are following wrong foreign policies, but that there are no policies."

News commentators have also expressed surprise at Mr. Erbakan's virtual disappearance at such a crucial moment. "Where is Erbakan?" the Istanbul daily newspaper Milliyet asked in a front-page headline.

"The foreign policy Erbakan wanted to establish on the illusion of Muslim brotherhood has collapsed," said a columnist in Sabah, another major newspaper. "The prime minister has gone on vacation at a time when the capital should not be left empty."

Faced with the reality of bitter hostility among Islamic nations and pressed by Mrs. Ciller and the Turkish military to maintain the country's traditional Western policies, Mr. Erbakan has evidently chosen to fade from the political scene, at least temporarily.

He was stung by domestic and foreign criticism of his recent trip to Iran, and declined an invitation to visit Libya for a revolutionary celebration Sept. 1, the day after the conflict between Kurdish factions erupted in Iraq.

Several Arab countries have expressed strong opposition to Turkey's plan for the "security zone" inside Iraq, saying it would be a violation of Iraqi sovereignty. Mr. Erbakan has sought neither to block the plan nor to defend it to the Arab leaders.



The American and Kuwaiti defense secretaries, Mr. Perry and Sheikh Ahmad, in Kuwait City on Sunday.

IRAQ: Planned Deployment of U.S. Troops to Kuwait in Doubt

Continued from Page 1

his defense council and that he expected a response shortly.

'Let's See What Happens'

Brian Knowlton of the International Herald Tribune reported from Washington:

Secretary of State Warren Christopher sought Sunday to play down Kuwait's refusal to grant immediate authorization for several thousand American ground troops to enter its territory, saying, "I wouldn't jump to any conclusions."

Mr. Christopher said on CBS that Kuwait's hesitation over the new ground troops reflected nothing more than typical deliberation. He added, "Let's wait a little while and see what happens."

He and other administration officials also appeared to back off from a call last week for a "disproportionate" response to Iraqi attacks on U.S. planes. But the U.S. buildup in and around the Gulf region continued on several fronts.

A new contingent of F-16 fighters was ordered to Bahrain, which agreed Sunday to house them. And the aircraft carrier Enterprise was making its way from the eastern Mediterranean to the Gulf.

Mr. Christopher said of the ground troops: "The president has authorized the moving of those troops and I suspect they'll move in due course."

But critics of U.S. policy in Iraq seized on the Kuwaiti hesitation as evidence that the administration had failed so badly in lining up its allies that it could not even count on the country it had helped save

from Iraqi occupation in 1991.

"We look arrogant and impotent at the same time," said the House speaker, Newt Gingrich. "What kind of a lack of consultation with our allies is this that we would end up in this kind of a muddle?" he asked on NBC.

On Sunday, Mr. Perry and the president's national security adviser, Anthony Lake, were consulting with U.S. allies in the Gulf region and Europe.

Perhaps in deference to those missions, several U.S. spokesmen appeared Sunday to retreat slightly from Mr. Perry's call for a "disproportionate" U.S. response to Iraqi missile firings and other acts considered provocative.

"We are not going to be pressed into overreacting," the U.S. ambassador to the United Nations, Madeleine Albright, said.

WELFARE: Big Business Is Ready

Continued from Page 1

lump-sum grants to the states. To state and county officials facing capped welfare budgets and financial penalties if they fail to move most recipients into jobs in two years, a fixed-price contract with a corporation has a strong appeal.

For the first time, the law allows states to buy not only welfare services but also gatekeepers to determine eligibility and benefits.

"There's some easy money if the states aren't careful," said Robert Tyne, head of the government contracts division of Andersen Consulting, a \$4.2 billion sister company of Arthur Andersen, the accounting firm.

The jockeying frightens longtime social-service workers and public-interest lawyers.

No company can be expected to protect the interests of the needy at the expense of its bottom line, least of all a publicly traded corporation with a fiduciary duty to maximize shareholder profits, said Henry Freedman, executive director of the Center on Social Welfare Policy and Law, a research and advocacy law office.

If a gatekeeper's profits are linked to reducing the welfare rolls, Mr. Freedman said, the incentive to deny aid will be overwhelming.

But proponents say turning over welfare to the private sector will prove to be the most cost-effective and humane way for states to face up to the fiscal imperatives of the new law.

A profit-making company has the flexibility to reward employees for results, the proponents argue, and to change the culture of the welfare office from one focused on calculating deprivation and issuing checks to one that quickly helps people into jobs.

States that are slow to shrink administrative costs will have no money for the additional child-care and transportation spending that are needed to move recipients to work. With the clock ticking on a five-year lifetime limit on benefits, recipients are ultimately the ones who will pay the penalty for delay.

"The days of spending any amount on welfare and going to the federal government for a match are over," said Russell Belliveau, president of the Government Operations Group of Maximus Inc., a consulting company in McLean, Virginia, that had \$100 million in business this year, including \$7 million in welfare-to-work programs in Boston, Fairfax, Virginia, and two California counties.

"If they don't perform, they're going to have to overspend," Mr. Belliveau said. "If they underspend, they can find other uses for that money."

In Texas, the health and human services commissioner, Michael McKinney, said states would receive their money's worth if they wrote contracts correctly. Texas is revising its request for offers to combine, overhaul and run the separate systems that now determine eligibility for welfare, food stamps, Medicaid and more than 25 other programs. Lockheed has teamed up with IBM and the state's work force commission, offering a fixed-price contract, with penalties for failures to perform.

Electronic Data Systems, which has long designed computer systems for welfare and Medicaid, is collaborating with Unisys and the Texas Human Services Commission. A third bid will come from Andersen, which offers to take a percentage of the savings it achieves as its only fee.

Like Wisconsin, where similar bidding is under way county by county, Texas is seen by many as the forerunner of a new wave of privatization. Until now, churches and groups like Goodwill Industries had been the main competition for the three companies in the welfare-to-work niche: Maximus, Curtis, which began as the pet project of a communications professor in Kearney, Nebraska, and America Works, a \$7 million job broker with contracts in New York City, Albany, New York, and Indianapolis.

Selling federally subsidized management systems to welfare departments has been a separate and much bigger business than welfare-to-work planning. Now the separation has vanished, and the welfare-to-work crevasse is suddenly a canyon. Sheer scale puts the big companies in command.

To some longtime workers in social services the new systems seem like a bad dream.

"For us old bleeding-heart liberals who were on the streets in the '60s, the idea that Lockheed, of the military-industrial complex, would be in charge of welfare is out of somebody's nightmare fantasy," said the director of a welfare program in a northeastern state.

Then he begged not to be identified. "We may end up working with them," he said.

CIA: Strikingly Little to Show After Spending \$100 Million in 5-Year Campaign to Topple Saddam

Continued from Page 1

groups and individuals financially sustained by the CIA have also failed to seriously harm Mr. Saddam. As the Defense Intelligence Agency said in a recently declassified report to Congress, "Saddam's departure from the Iraqi political scene does not appear imminent."

The picture that emerges from an investigation by The Washington Post is of a covert program born in the intense U.S. anger over Mr. Saddam's actions at the time of the Gulf War.

As one intelligence official said, covert action was potentially the "10 percent" solution. It was meant to complement the public U.S. and allied campaign to contain Iraq through a military buildup in the region, air patrols over much of its territory, economic embargoes, United Nations weapons inspections, and diplomatic isolation, a campaign that the official said had amounted to around 90 percent of the overall U.S. effort.

Although no U.S. order was given to any Iraqi dissident to kill Mr. Saddam, the CIA provided funds to groups that it knew were attempting to do so. When the covert program was expanded early this year, the agency was even authorized by the White House to support acts of sabotage inside Iraq that would create an image of a country descending into chaos. It is unclear, however, whether any of these acts were carried out.

From the outset, Washington had no idea who might replace Mr. Saddam if the program succeeded. However, U.S. officials fretted, along with Saudi Arabian, Jordanian, and Turkish officials kept informed about the effort — that if Mr. Saddam's replacement did not hold the country together, neighboring Iran would effectively grab a chunk of Iraqi territory and gain new regional influence.

The program's recent expansion partly reflected Washington's growing impatience with Mr. Saddam, as well as a CIA estimate that he had suddenly become more vulnerable. As a result, Washington threw its weight behind a Jordanian-based group of former Iraqi military officers and government officials that claimed it could engineer a coup. But the group, called the Iraqi National Accord, was penetrated by Mr. Saddam's security agents, and the Iraqi government arrested and likely executed as many as 100 people suspected of involvement with it.

In the end, the longer-running CIA effort in northern Iraq was undermined by persistent infighting among the Kurdish groups that controlled the area. It was the unforeseen alliance between Mr. Saddam and the Kurdistan Democratic Party, a group that had benefited at least indirectly from CIA funding, that enabled Iraqi forces to move northward and forced the CIA team to flee the country on Aug. 28.

Some U.S. intelligence officials now say that Mr. Saddam may still be slain by someone able to penetrate his praetorian guard. But if so, they add, the plot will likely unfold without CIA help. As one official involved in the effort said, "There are two great realities that govern here. First, if we know about it, Saddam does due to the intensity of his security precautions. Second, if someone comes to us needing help to mount a coup, they are probably incapable of pulling it off."

A U.S. presidential finding authorizing a covert action to topple Saddam Hussein was signed by President George Bush in May 1991, less than three months after U.S. and allied military forces had driven Iraqi troops from Kuwait. At the time, Mr. Bush was being heavily criticized in Washington for having publicly called on Iraqis to "take matters into their own hands" to oust Mr. Saddam, but withholding U.S. military support.

"It was a minimal program," said a former senior Bush administration official familiar with the presidential directive.

The CIA began by contacting whoever its analysts and regional station chiefs thought might form the nucleus of a credible opposition, including Kurdish leaders in northern Iraq, Iraqi exiles in Europe and members of a group of Iraqi prisoners who had refused to be repatriated at the end of the war. One person who reportedly attracted early Saudi and U.S. support was Salah Omar Ali Tikriti, a former member of Iraq's ruling Ba'athist Party who had once been Iraq's information minister but broke with Mr. Saddam when Iraq invaded Kuwait.

Together with a former Iraqi intelligence chief named Ayad Alawi, who had broken with Mr. Saddam and left Iraq in 1971, Mr. Omar Ali had helped establish the National Accord opposition group, which later received substantial CIA support. With U.S. encouragement, the group set up a radio station called the Voice of Free Iraq, which operated from Saudi territory and called on the Iraqi

people to overthrow Mr. Saddam. But the National Accord fragmented in 1991.

By 1992, the CIA had fixed its gaze on other Iraqi dissidents, including two rival Kurds: Massoud Barzani, a tribal chieftain and leader of the Kurdistan Democratic Party since 1970, and Jalal Talabani, who had broken with the party in 1975 to found the Patriotic Union of Kurdistan. But neither had any substantial standing outside northern Iraq.

The CIA's idea was to unite these two Kurdish groups with other organizations in northern Iraq under an umbrella organization, the Iraqi National Congress. By financing that organization, the agency reasoned, Washington might be able to keep peace between the Kurds, deter Iraqi forays in the north, and provide a public forum for stirring up

The Baghdad-backed Kurdish military sweep in the last two weeks has left the major CIA effort in tatters.

popular opposition to Mr. Saddam.

Under pressure from Turkey, however, Washington remained consistently opposed to the two Kurdish groups' own principal motivation: their historical dream of political autonomy. This difference in views produced immediate tensions between the CIA and the Kurdish groups, reflected in part by Washington's refusal to supply grenade launchers, anti-armor projectiles and other sophisticated weaponry the Kurds demanded.

"Their claim was that they could take Mr. Saddam down, and all they needed was a little bit of support from the United States," said a former U.S. government official who followed the program closely.

After Bill Clinton's election in 1992, new appointees at the CIA and the National Security Council took a close look at the program and concluded it did not amount to much.

As a result, the CIA and Mr. Clinton proposed to cut spending for the program, by one account slicing its budget by as much as 50 percent. A few law-

makers supported the plan, but a larger number on Capitol Hill — egged on in part by Kurdish protest faxes — expressed outrage at Mr. Clinton's proposal and demanded to know how Washington could possibly slacken its effort to oust a dictator as odious, they said, as Mr. Saddam. The result was that millions of dollars in funding for the anti-Saddam effort that the administration had proposed to cut wound up being restored.

By mid-1994, the CIA decided that it needed a handful of officers on the ground to keep an eye on the operations of the National Congress and its Kurdish members. Several case officers, including a veteran of the agency's covert action program in Afghanistan, were sent to open an office in Salah ad Din, on a hillside overlooking the strategic Kurdish city of Arbil. Elaborate negotiations were conducted with the Pentagon to ensure that U.S. forces in Turkey could assist their evacuation in a crisis.

In the four rented houses, the CIA installed elaborate communications gear and other equipment; it also posted a guard of locally hired mercenaries. "They didn't wear badges, but everybody knew who they were," said an Iraqi dissident who saw the buildings. Besides advising the National Congress on its purchases and checking up on its activities, the CIA team collected its own intelligence and interviewed defectors and dissidents who made their way north from Baghdad.

One such defector was Wafiq Hamud Samarra, a former deputy director of Iraqi military intelligence who had retired after the Gulf War in 1991 and defected in November 1994 by walking for 30 hours from Kirkuk.

Claiming to have supporters in key jobs inside the Iraqi military and in Baghdad, Mr. Samarra sought assistance from the National Congress and the

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BOSNIA: As Muslim Party Disputes Part of Vote, Balkan Rivals Are Set to Meet in Paris

Continued from Page 1

dated by the peace agreement hammered out in Dayton, Ohio, would be the first step to reunifying a country they believe they have a right to control.

The Bosnian Serbs and Croats, however, appear intent on electing leadership that will push for continued partition and independence from Sarajevo.

After the last elections, in 1990 — which saw Muslim nationalists led by Mr. Izetbegovic take control of Bosnia — rebel Serbs, backed by Belgrade, unleashed the war. By the end of the

conflict 200,000 Bosnians were dead, hundreds of thousands of people had been driven from their homes and much of Bosnia lay in ruins.

The Croatian leadership, although formally allied with the Muslims in an American-brokered federation, is so closely tied to Zagreb that it is hard to tell where Croatia ends and the Croatian-controlled region of Herzegovina begins.

The Serbs see in the vote the final legitimization of their self-styled government and self-proclaimed state. Their leaders openly call for union with Belgrade and campaigned on a promise that

they would secure a permanent partition.

The Party of Democratic Action, the Muslim nationalist party, said Sunday that it would contest the results of the vote in Serbian-held Bosnia, alleging that it was not free and fair. But Robert Frowick, head of the Bosnian mission of the Organization for Security and Cooperation, said his office, which oversaw the elections, would decide if any votes should be annulled. He praised the election and said his organization noted few irregularities.

The voting procedures were often cumbersome and confusing. Casting

ballots took as long as 10 minutes a person, with each voter required to fill out four separate pieces of paper. People at times had trouble finding polling stations, and some stations that received the wrong ballots or registration lists had to be closed for a few hours until the correct papers were delivered.

Some voters, especially in urban areas, waited outside polling centers for hours. And angry crowds in Sarajevo had to be dispersed by NATO troops after they kicked in doors and smashed windows in polling stations in the Novi Grad neighborhood because of the delays.

125 من الأصل

INTERNATIONAL

Pope to Have Appendectomy

He Also Suffers From Nerve Disorder Affecting Hands

By Daniel Williams
Washington Post Service

VATICAN CITY—Pope John Paul II, who has been troubled by intestinal problems since Christmas, will have a recurring inflamed appendix removed by the end of the year, according to his doctors.

The 76-year-old pontiff also suffers from a nerve illness that is causing his hands to shake uncontrollably, said the Vatican spokesman, Joaquin Navarro-Valls. He described the disease as a disorder of the "extra-pyramidal" system, meaning one of several afflictions of the nervous system outside of the brain stem, such as Parkinson's disease. Trembling and rigidity of muscles, both of which have been apparent in the pope, are symptoms of Parkinson's.

"This is not a cause for worry now," Mr. Navarro-Valls said. "Everything is under control."

A statement released by the pope's doctors Saturday said, "All other aspects of the pope's

health do not give rise for particular concern."

John Paul has looked drawn during recent public appearances, giving rise to reports that his health is deteriorating. A Vatican statement said repeated examinations and X-rays had turned up no sign of cancer. This information was released to counter "news, supposition and rumors that have been spread in recent weeks," the statement said.

Despite the planned appendectomy, the doctors said, John Paul will proceed with a visit to France next week and will be treated with antibiotics if the appendix flares up again. Although scheduled to last only three days, the trip could be rigorous. Protests by secular-minded French demonstrators are predicted.

The pope has undergone five operations since his election in 1978, including major surgery on his abdomen twice in 1981 after an assassin shot him in St. Peter's Square. Doctors removed a tumor from his intestines in 1992 and operated to repair a dislocated shoulder in 1993 and a broken thighbone in 1994.



Pope John Paul II reading his Angelus prayer Sunday to pilgrims in Castelgandolfo, south of Rome.

Kremlin Raises Hurdles To a Chechen Secession

By Michael R. Gordon
New York Times Service

MOSCOW — Challenging a major provision of the peace accord for Chechnya, the Kremlin has warned that the southern Russian republic must remain part of Russia.

The statement was issued Saturday after a top-level meeting on the Chechen crisis led by Prime Minister Viktor Chernomyrdin.

Together with recent criticism of the accord by the Russian Justice Ministry and the suspension of Russian troop withdrawals, the Kremlin statement raised new doubts about Moscow's willingness to carry out the accord.

The doubts have only been heightened by President Boris Yeltsin's illness and the infighting about who might succeed him.

Mr. Yeltsin, who is scheduled to un-

dergo a heart bypass operation soon, checked into the Central Clinical Hospital for what his spokesman said were presurgery tests.

Mr. Chernomyrdin has assumed control over defense and security matters until Mr. Yeltsin is well enough to govern. The prime minister has also exhibited little praise for the Chechen accord, negotiated by his principal rival, Alexander Lebed, the national security adviser. The plan is intended to end a war that has lasted nearly two years and killed at least 30,000 people.

The statement Saturday seemed hard to reconcile with the accord, which was touted as a breakthrough when it was signed last month.

Under the agreement, the question of Chechen independence is to be deferred for as long as five years. The accord implies that the Chechens will be able to decide their political status after that time.

In contrast, the Kremlin on Saturday appeared to close the door to independence. It said the resolution of the crisis "must be based only on the constitution of the Russian Federation and on the principle of the territorial integrity of Russia."

These were not the only comments in which Kremlin officials have sought to distance themselves from the peace plan.

On Wednesday, the Justice Ministry said the accord differed from the provisional agreement worked out previously by Russian officials. Justice Minister Valentin Kovalev said the agreement was a "political declaration" of both sides' intentions to negotiate an end to the war and was not legally binding. While Mr. Lebed's enemies and rivals have complained about the accord, at the same time they have also been reluctant to engage in a new round of fighting and completely repudiate it.

Mr. Yeltsin has generally endorsed Mr. Lebed's efforts, while indicating that he opposed a quick withdrawal of Russian troops. Even Mr. Chernomyrdin has said at times that he generally supports Mr. Lebed's peace moves.

Still, the Kremlin's mixed response has raised the danger that fighting will flare up again, as the Russians argue among themselves, and Chechen and Russian negotiations remain deadlocked over important questions like the exchange of prisoners.

A Russian Army spokesman in Chechnya complained Saturday that Chechen rebels had shelled Russian positions and were stockpiling arms. The rebels have complained about Russia's suspension of troop withdrawals.

POLL: Concern Over Schools and AIDS

Continued from Page 1

More than half of those questioned said they worried about welfare abuse, illegal immigrants, illicit drugs, the cost and quality of medical care, the declining fiscal health of the Social Security and Medicare systems, and the erosion of moral standards.

At the same time, international trouble spots like Bosnia, Russia and China rate relatively low as a concern for most Americans.

Affirmative action also divides Americans, sometimes in unexpected ways. Three in 10 respondents said they worried "a great deal" that "too many people take advantage of affirmative action and don't try to get ahead on their own" — a view expressed by more African Americans (35 percent) than whites (30 percent) surveyed.

Middle-aged baby boomers are troubled about approaching retirement. Mary Miller, 45, of Martinez, Georgia, said he thought the Social Security system "will go bankrupt."

"They may start a new program and keep the same name but Social Security as we know it will not be there when I retire," he said.

America's list of top concerns begins at the schoolhouse door. According to the survey, 62 percent of those surveyed feared that the nation's schools will get worse, not better.

"Learning is slower here because reading isn't stressed," Ms. Hardesty of South Carolina said. Others blamed chil-

dren who didn't want to learn — and their parents.

"With all the kids who carry guns to school, the parents have to know," said Bonnie Whitehead, 50, a housewife in Demosville, Kentucky. "They don't take any interest in seeing that their kids prepare their lessons for the next day. Parents have to get more involved."

Most Americans agree that education — particularly a college education — is the key to success. But 58 percent of those interviewed said they feared that a good college education is fast becoming out of the financial reach of the average American, a view shared by half the men and two in three women interviewed.

NORTH: For Pyongyang, Suddenly It's Time to Wheel and Deal

Continued from Page 1

dom of choice with regard to method of business management." Kim Jong U, a major economic adviser to Kim Jong Il, told the roughly 550 delegates from 26 countries who gathered here. Foreigners will be able to do business "on the principles of the free market."

But to let in the air of foreign currency without also letting in the mosquitoes of democracy, North Korea wants to confine capitalism to the Rajin-Sonbong Free Economic and Trade Zone in the isolated northeast corner of the country, near the borders with Russia and China.

A barbed wire fence, electrified in places, separates the zone from the rest

of North Korea. This is true even though a brochure prepared by North Korea's Committee for Promotion of External Economic Cooperation touts that the zone will become "a crossroad of human transport and traffic."

Skeptics abound, and many of the delegates to the conference are journalists and academics, more interested in getting a look at the isolated country than in doing deals.

But others say that the zone, which has a natural harbor that could serve as a gateway to economically dynamic northeast China and the natural resources of Siberia, holds promise.

They say that investments are increasing rapidly and that North Korean

efforts appear to be sincere. For North Korea, the immediate purpose of the three-day conference is to show that Rajin-Sonbong, with a population of about 140,000, is ready for prime time.

That is a hard sell considering that the area has no airport, no public transportation, virtually no telephones or paved roads and so few hotels that about 150 delegates from Japan who traveled here by ship are sleeping on the boat. Some other attendees are housed three to a room in a "guest house" with only sporadic running water.

But the new Rajin Hotel opened for business Friday night and the first international telephones went into service Saturday. The Sonbong House of Culture, where the conference is being held, has such a fresh coat of paint that it rubbed off on delegates' jackets. Buses to cart the delegates around were brought by train from the capital and new Japanese cars are being used as taxis.

Some advertising billboards for companies have gone up as if to herald the arrival of commercialism.

North Korean officials are trying to convince skeptics that they have learned the art of the deal. The droning presentations lacked some of the multimedia pizzazz of a Wall Street conference, but the speakers paid only scant homage to Kim Il Sung and Kim Jong Il.

Conference attendees have been given folders containing color brochures touting the great plans for this district, including artists' renditions of planned industrial parks.

WEATHER: In Britain, Rain, Rain and Now Nonstop Forecasts

Continued from Page 1

broadly speaking, is often depressingly change-free. It is, quite simply, cloudy every day.

"That's what makes it difficult," agreed Louise Lear, a weather announcer on the new British Weather Channel, an offshoot of the U.S. cable station. "If you get too detailed and say, 'The day will be misty and the sun will break through and the clouds will come back and the sun will break through again and then the clouds will come back,' people will turn off. You have to prioritize."

Britons take their weather so seriously that in polls commissioned recently by the Weather Channel, the British scored higher in weather appreciation than the residents of any other country surveyed.

With all the obsession about weather, it is fair to ask what Britons want, weather-wise.

It is hard to say. By necessity, the definition of a nice day here seems to be a day that does not rain and has at least several minutes of sun in it.

Unless, of course, it is too sunny. Last August, an unprecedented spell of summer sun swept in, with mira-

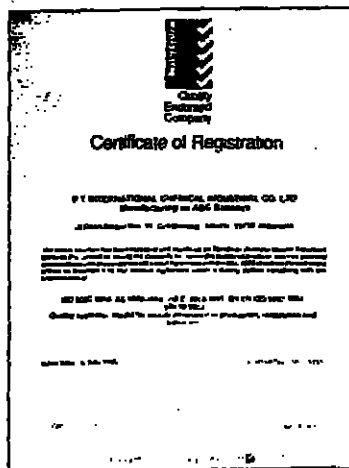
culous blue skies and temperatures in the high 20s Celsius (80s Fahrenheit). But it wasn't quite good enough for the British, who, Ms. Lear said, "are notorious for complaining and moaning — it's too hot, too cold, it rains all the time, it doesn't rain enough."

As Mr. Giles explained, "We don't like it if we have the same weather for more than four or five days at a time."

"You have to be very careful," he continued.

"If you say, 'There won't be any rain, you have to remember that a lot of people want rain, so you mustn't smile when you say it.'"

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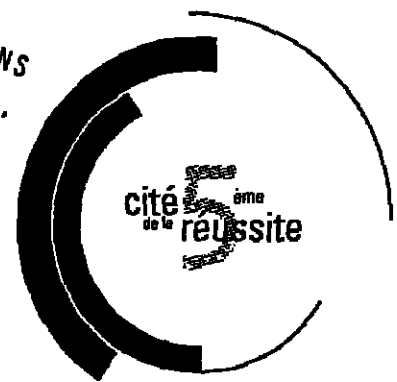
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Chemical Treaty Woes

For the better part of a decade, Bob Dole was a part of the legion of Republicans, including Ronald Reagan, George Bush, James Baker, Brent Scowcroft, Colin Powell and Richard Lugar, who supported writing a treaty to outlaw poison gas. Last week, on the eve of a Senate vote on ratification, Mr. Dole indicated that he had changed his mind and joined the opposition to the treaty of his former Senate colleagues Trent Lott, Jesse Helms, Jon Kyl and others. It is hard to believe that the political campaign had nothing to do with the candidate's flip-flop, although Mr. Dole does cite reasons.

He suggests that he had reservations about the treaty's coverage — the rogue states that are its prime target will surely reject it — and about its enforceability, which in the best of circumstances will not be foolproof. Others who are not running for office have also cited these views, but we think that there are strong arguments against them. The treaty does not immediately reach the rogues, but it does create a legal and political framework in which they can be better isolated and pursued. The implicit opposition alternative of a treaty with full coverage simply does not exist. Again, enforcement will not be total under this treaty, but here is a case where the best is the enemy of the good.

Enforcement will be better than it is without a treaty, and practice can make it better still.

Mr. Dole cites the situation of American chemical companies which, he believes, would suffer under unacceptably intrusive inspection obligations. But the companies themselves have greeted the treaty as a welcome and bearable liberation of their exports from the onus of contributing to rogue chemical stocks. The former majority leader seems unaware that the "unilateral chemical disarmament" that he now opposes was begun by President Reagan. The American military does not want a weapon that is irrelevant to deterrence and more dangerous to handle than any conceivable battlefield benefit warrants.

The treaty has been pulled, not killed. In other political circumstances it can be sent back up to the Senate. But meanwhile the ratifications of other states will bring it into effect. As a result, the U.S. government will be frozen out of the treaty's initial application (this can only warm the poison gas crowd) and the American chemical industry will risk a cutoff of tens of billions of dollars in exports. We don't believe that is in the United States' national interest, or Mr. Dole's, for that matter.

—THE WASHINGTON POST.

Passenger Profiles

As part of its anti-terrorism strategy, the Clinton administration is asking the nation's airlines to increase the use of passenger profiles to help separate ordinary travelers from potential bombers. Trained airport security personnel would match what the airline knows about the passenger against an abstract profile consisting of various factors that warn of possible danger. A close match would prompt authorities to screen the passenger and his luggage more carefully, using the most sophisticated bomb detectors and perhaps search teams.

For years the classic candidate for more thorough screening — to detect drug couriers and hijackers, for instance — has been the single passenger with a one-way ticket paid for with cash. Customs officials pay special attention to travelers to and from countries that engage in the drug trade and destinations known for terrorist activity.

But more wide-scale screening for bombers and terrorists raises sensitive issues. As the White House Commission on Aviation Safety and Security concedes, profiling is full of dangers like diminished liberty and discriminatory application. The commission does not propose compiling dossiers on individual passengers or checking passenger names against law enforcement files, steps that would raise the specter of a national surveillance system.

Some of the techniques under study might move passengers through the lines faster because they matched a positive profile. For example, the frequent business flier — with verifiable billing address and plenty of identification — would still have carry-on

luggage run through the X-ray machine, but that traveler's checked luggage might not be put through the expensive and not yet plentiful new machinery that detects bombs.

The touchy issue is who warrants closer scrutiny. The flying public seems willing to endure more inconvenience in the quest for safety, but is unlikely to tolerate arbitrary or biased enforcement. In the past, security officers have sometimes used a crude profile consisting mainly of one factor, race, to single out minorities for special searches.

Although the Supreme Court has recently given broad general approval to the use of passenger profiles listing suspicious factors, at least as a basis for detaining a customer for further inquiry, Vice President Al Gore insists that the commission is alert to civil liberties issues. He proposes a special committee that would include private citizens to monitor the use of security machinery and procedures.

Technology could in time make the question of profiling moot. Perhaps the machines of the future will be able to scan baggage so quickly and effectively that additional screening will become unnecessary. For now, however, profiles of some sort seem inevitable when millions of people must pass through narrow gateways and only a handful pose any security hazard. The commission's task will be to tighten security without strangling individual liberties. It has already pledged to keep race and other stereotypes out of the profiles. It will need to be monitored for its adherence to that principle.

—THE NEW YORK TIMES.

Mischief in Belarus

Belarus, a strategically located but often ignored former Soviet republic, is teetering between dictatorship and democracy. The outcome is potentially important enough, to Russia and to the West, to merit some attention, and not only because Belarus, unlike Ukraine and Kazakhstan, has yet to transfer all of its nuclear missiles to Russia.

Of the 15 republics that gained or regained nationhood when the Soviet Union collapsed, none has had more difficulty figuring out its place in the world. With Poland to the west, Lithuania to the north and Russia to the east, Belarus had been overrun and conquered many times, but had no true history of independent nationhood. Scholars disagree on the extent to which Belarusian qualifies as an independent language rather than a dialect of Russian. Many of the nation's poor and rural inhabitants remain mystified as to why Moscow no longer is their capital. Belarus suffered horribly under Nazi occupation; it bore the brunt of Chernobyl and then watched most international aid go to Ukraine.

Independent Belarus inflicted a wound of its own, electing as president a former collective farm chairman, Alexander Lukashenko, whose populist rhetoric and resistance to reform have helped make his nation one of the economic laggards of the former Communist world. Mr. Lukashenko has es-

tablished a clownish reputation outside Belarus; just a few days ago he announced that he had met with President Boris Yeltsin, only to back down after Russian officials said the two had not even talked by phone. But Mr. Lukashenko has proved adept at playing to people's fears of reform and to their nostalgia for lost Soviet stability.

Now he is sponsoring a referendum, in November, to extend his own term and create a second legislative body, coequal with Parliament, that he would appoint. These changes seem likely to undermine democracy. More disturbing is the likelihood that the voting will be tainted. The Lukashenko regime has shut down the nation's only independent radio station while maintaining tight control over television. It has frozen the bank accounts and threatened the advertisers of the remaining independent press. It has intimidated, beaten and jailed opposition politicians.

A victory for such tactics would embolden Communists and ultranationalists in Russia, who actively support Mr. Lukashenko. It could unsettle the nascent neighboring democracies and complicate U.S. efforts to bring Russia and the others into a stable system of European security. The world's democracies should make clear now that they will be watching how Belarus conducts this vote.

—THE WASHINGTON POST.

Enmity Between Iran and America Is Unnatural

By Thomas L. Friedman

TEHRAN — At the corner of the former U.S. Embassy in Tehran sits a small shop called "The Center for Publication of the U.S. Espionage Den's Documents" — a bookstore of sorts, selling dusty paperbacks containing the secret documents found when the embassy was stormed by Iranian students in the revolutionary days of 1979.

The man behind the counter couldn't quite recall when someone last came in to buy a book. Like much of Iran's anti-U.S. rhetoric today, the shop stays open partly on inertia, partly because America-bashing is useful for the regime and partly because Iran's leaders have long forgotten what a normal relationship with the United States is like.

Is it inevitable that things will remain frozen this way? Not necessarily. The domestic needs of Iran's Islamic leadership dictate a hostile relationship with America. There is a visceral fear among Iran's mullahs of the cultural invasion that a normal relationship with the United States would bring, and a deep concern that if they open the door to America the whole structure of the revolutionary regime could be shaken.

It is useful for them to have a big external enemy — to mobilize the public and justify the regime's shortcomings. This sort of attitude is quite common to postrevolutionary societies, whether it be France in the late 1700s or Russia in the 1920s.

But once the revolution consolidates itself, and the revolutionary zeal cools, the traditional national interests of a country reassert themselves, and those interests are dictated not by ideology but by history and geography.

Iran's domestic needs may dictate a hostile relationship with America today, but its foreign policy needs dictate a working relationship with America today. Geopolitically speaking, the animosity between Iran and the United States is unnatural, and the current Iraq crisis only underscores the point.

Iran is surrounded either by powerful enemies with whom it has fought wars (Russia, Iraq, Ottoman Turkey) or by new states that covet some of its people. Remember, Iran is an empire. Within

its boundaries are Turkic, Kurdish, Afghan, Azeri, Baluchi, Arab and Armenian minorities — most of whom have cousins living just across Iran's borders in their own nation-states.

On every border Iran has ethnic communities that could easily switch sides. The reason the shah reached out to America, Israel and Europe was because he understood that Tehran had no natural allies in its neighborhood.

The United States did Iran a huge strategic favor in 1991. At the end of the Gulf War, Saddam Hussein turned his vengeance against the Kurds of northern Iraq, driving several hundred thousand into Iran. This created a huge refugee problem for cash-strapped Iran. But shortly thereafter the United States set up a no-fly zone over northern Iraq, and Operation Provide Comfort, to protect the Kurds there. This enabled Iran to send its Kurdish refugees back across the border.

America and Iran share an interest in maintaining a Saddam-free zone in northern Iraq and are both supporting the same Kurdish faction there. Maybe that was why I found virtually

no personal animus toward America from any Iranian official I spoke with. I did, however, encounter virulent animus toward Israel and Zionism, which runs right through Iran's leadership.

Interestingly, Israel's Ha'aretz newspaper just reported that senior Israeli security officials had warned Prime Minister Benjamin Netanyahu not to follow Yitzhak Rabin and Shimon Peres's line of constantly lashing out at Iran, because "the Iranians had come to see Israel as their main enemy — even more than the U.S.," which is "not desirable from Israel's perspective."

It reported that Mr. Netanyahu understands the Iranian threat but has been quite careful in how he speaks about Iran, and this has been noticed by Iranian diplomats in Europe.

As the United States becomes more deeply embroiled in the Gulf, it will be fascinating to see which of Iran's impulses drive its relations with America and Israel — its domestic needs for hostility or its foreign policy needs for cooperation. Who knows what this year's October surprise might be?

The New York Times.

The Idea of Helping Iraq to Break Up Has Its Merits

By Stephen S. Rosenfeld

WASHINGTON — The latest round of troubles brewed by Saddam Hussein has produced anxious American discussion of possible military responses. These deliberations need to proceed smartly, but perhaps it also is time to throw some political responses into the policy pot.

Specifically, would it now be opportune for the United States and others to alter their historic commitment to the territorial integrity of Iraq and to start exploring ways to give state status to its Sunni, Shiite and Kurdish parts?

The reality of Saddam Hussein's continuing menace gives cause to weigh an idea — helping Iraq collapse internally — that could not muster much support before.

Here I borrow heavily from a call to dismember Iraq published by the Massachusetts

Institute of Technology scholar Daniel Byman in the fall issue of National Interest.

For an absorbing account of how British diplomacy invented Iraq as an oil preserve, drawing borders of imperial convenience and importing a pliant leadership, see Janet Wallach's new biography of Gertrude Bell, "Desert Queen." Iraq's Shiites, Sunnis and Kurds "never really coalesced," Ms. Wallach concludes.

Says Daniel Byman: "The U.S. commitment to the territorial integrity of Iraq was mistaken [in the Gulf War] and remains ill-considered now. Opponents of Iraq's dismemberment argue that an intact Iraq is necessary to balance Iran, that a separate Kurdish state would destabilize Iraq's neighbors and that a new

[Shiite] entity would tilt toward Tehran."

"In reality, however, an Iraqi breakup would pose little threat to U.S. allies — including Turkey, with its large Kurdish population. Iran's ideological appeal to Iraqi [Shiites] is limited at best, and any tilt in the regional balance of conventional forces in favor of Iran could easily be countered by U.S. power."

"On the positive side of the ledger, the division of Iraq into three entities would eliminate the Iraqi threat to the oil-rich Gulf states, and the Ba'athist quest for nuclear weapons, free the [Shiites] and Kurds from oppression, and remove Baghdad from the list of revisionist rogue states."

Mr. Byman is swimming against the consensus, and he

does a good job in opening for further debate a policy position that has been poorly tested under the conditions of American bipartisanship that have existed through the '90s. His observations on American policy ring especially clearly.

Bill Clinton has followed George Bush in agreeing that Saddam Hussein is bad news. Mr. Clinton also has followed Mr. Bush in fearing that Saddam's overthrow, if it came, would portend a collapse of order in Iraq. This leaves a policy based on the wishful thinking of a "third way" — a unified post-Saddam Iraq under a moderate successor devoted to internal harmony and a responsible foreign policy. It's a dream.

People are right to be squeamish about redrawing boundaries. Yugoslavia's ordeal is a fresh reminder of the perils. But Mr. Byman surely is

The Washington Post.

This Chemical Weapons Convention Is a Dangerous Fraud

By Charles Krauthammer

WASHINGTON — When the U.S. Senate prepared to take up final action on the Chemical Weapons Convention on Thursday, advocates of the treaty thought they had the ultimate weapon: emotional blackmail. Who could vote — in an election year, no less — against a treaty whose lofty goal is to eradicate chemical weapons from the face of the earth?

Amazingly, enough senators to defeat this treaty.

Which is why, faced with the prospect of defeat, the Clinton administration pulled the treaty at the very last moment.

But it is not dead by any means. If Bill Clinton wins reelection he will undoubtedly bring it back to the next Congress, where it will deserve to be buried again.

The goal of eradicating chemical weapons is indeed lofty, but the treaty that purports to bring it about is a fraud. The fatal problem with the treaty is that it is unverifiable.

Sure, it has elaborate inspection procedures, and an even more elaborate United Nations bureaucracy to oversee them. (No treaty is complete without that nowadays.) As a result, the treaty will be perfectly able to detect the development of chemical weapons by free, open governments that have never used and have no intention of using chemical weapons. (The United States is now actively destroying its Cold War stockpile.)

And the treaty will be perfectly useless at preventing development of chemical weapons by closed societies like Iran, Iraq (which in 1988 blatantly violated the current treaty banning the use of chemical weapons), Libya, Syria and North Korea. These are precisely the places where chem-

ical weapons are being made today for potential use against the United States or its allies.

How can anyone seriously defend this treaty as verifiable when Iraq, subject to a far more intrusive inspection regime than anything contemplated under the Chemical Weapons Convention, is nonetheless going ahead with its chemical (and nuclear and biological) weapons programs right under our noses? When North Korea, signatory and subject to all the fancy inspection provisions of the Nuclear Nonproliferation Treaty, went blithely ahead and built its impudently made nuclear bombs?

And these are violations by countries that had submitted to intrusive international inspection. Yet we know that Libya, North Korea and Syria have not agreed to sign the treaty and thus will be subject to no chem-

ical weapons inspection at all! Not to worry. The treaty will definitively banish the threat of chemical attack by Belgium.

All arms control treaties have problems with verification. But with chemical weapons the problem is inherently insoluble. The (nuclear) START treaties with Russia are hard to verify, but at least they involve fixed numbers of large objects (missiles) with no other use and not that hard to find. Chemical weapons, on the other hand, involve small quantities of everyday stuff that is impossible to find.

How small? The sarin nerve gas used for the Tokyo subway attack was manufactured by the Aum Supreme Truth cult in a single room.

How everyday? As Jeanne Kirkpatrick and Dick Cheney and many others pointed out in a letter to the Senate majority leader opposing the treaty, it does not even prohibit the two chemical agents that were employed to such catastrophic effect in World War I and that are the backbone of Iran's current chemical arsenal — phosgene and hydrogen cyanide. Why? Because they are too widely used for commercial purposes.

All right, you say (and many senators up for re-election are privately thinking), so the Chemical Weapons Convention is useless. What harm can it do? The harm that it, like all panaceas, does is induce a false sense of security.

Treaties are not feel-good devices. They are not expressions of hope. They are means of advancing peace by putting real constraints on the countries that pose threats.

Syria is putting chemical weapons on the tips of its Scud

missiles. Iraq is rebuilding its arsenal. Libya is constructing the largest underground chemical weapons plant on the planet. And what are Americans doing? Considering a treaty that would allow international agents to inspect up to 8,000 American businesses, searching and seizing without warrant.

The logic is more than comical. It is dangerous. The chemical weapons treaty is part of a larger administration scheme to build a new post-Cold War structure of peace through the proliferation of paper. Yesterday a test ban treaty, today chemical weapons, tomorrow a biological weapons convention and strengthening the ban on anti-ballistic missiles.

The conceit of this administration is that it is following in the footsteps of Truman and Marshall in the '40s, building a structure of peace after victory in a great war. In fact it is following in the footsteps of Harding and Coolidge, who spent the 1920s squandering the gains of World War I on the false assurances of naval disarmament treaties and such exercises in high-mindedness as the Kellogg-Briand Pact.

The Clinton team calls the chemical treaty "the most ambitious arms control regime ever negotiated." Its ambition is matched only by that of the Kellogg-Briand Pact, also an American brainchild, also promulgated to great international applause. (Frank Kellogg, Coolidge's secretary of state, won the Nobel Peace Prize for it.) All parties pledged the renunciation of war forever. The year was 1928. Germany and Japan were signatories.

Washington Post Writers Group.

Fight Them There, Not Just Here

By A.M. Rosenthal

NEW YORK — The presidential commission on aviation security turned in a report that was carefully thought out, presented 60 proposals for protecting American passengers against terrorism, and began with the critical message: Anti-terrorism rests on a policy of pursuing terrorists and punishing not only them but the nations that sponsor them.

A good piece of work. The problem is that this report was from a commission appointed by President George Bush after the downing of Pan Am 103 in 1988 and made public on May 15, 1990.

So many of the recommendations were ignored, or died through failure of government and airlines to do their jobs, that President Bill Clinton decided to order up a new one — this time after TWA 800 went down.

The new report also has about 20 good suggestions on screening luggage and passengers, providing more FBI agents, improving intelligence, "partnership" between government and airlines, studying the use of chemical markers to track down explosives. It is a pity it did not tell us exactly what happened to each of those 60 1990 suggestions.

The latest report immediately touched off a debate on who is going to pay for it all. It is the usual debate that the wars against terrorism and drugs set off in the United States: How much are American lives worth, bottom line?

Professional civil libertarians are fighting parts of the screening processes, and the law lobby will say markers might interfere with the right to bear arms, somehow.

But there is a hole in the report. It does not contain the essential message of the first: that fighting terrorism needs a national will to go after terrorists and their masters.

The list of subjects to be covered in a second part, due in February, does not even mention the subject of punishing terrorists and their sponsors. Vice President Al Gore is the chairman of the commission, and perhaps he will plug that omission.

Anti-terrorism rhetoric is useless when the leaders do not carry through. They speak in loud voices about counterterrorism but carry a pretty near invisible stick.

The United States says two Libyans managed to down Pan Am 103 all by themselves — no Syrians, no Iraqis. Well, maybe, but it has not done what was needed to get the two Libyans out so they can talk — bomb Libyan military installations hard enough and long enough.

Instead of punishing all states sponsoring terrorism, America has rewarded one of the most important. More terrorists have been trained in Syria than in any other country, but Mr. Bush and Mr. Clinton have honored President Hafez Assad with visits.

Mr. Clinton never did act on my suggestion to visit the rich variety of terrorist camps and torture chambers in Damascus or just a scream away. It would have been instructive. The path of international terrorism does not begin where so much of Western counterterrorism does, at an airport. It begins with national leaders or clerics planting hatred in the minds of young people.

It leads to the camps where they are trained in cities like Damascus, to the various secret services and Mideast billionaires that guide and supply them, to the holy war organizations in the Mideast, Europe and America that raise funds and political support for them. It is along that road that counterterrorism must work in secret and punish in public.

Airport security is worth whatever it costs. But terrorists have a rich choice of other targets — the American barracks in Saudi Arabia, for instance, or the cruise ship Achille Lauro, the Jewish Community Center in Buenos Aires, the Olympics in Munich, the World Trade Center.

In the struggle against terrorism, airport security is not a weapon, at best one more fence. Terrorists force us to live behind fences, restricting our lives and those of the people we elect, cutting into our liberties of access and movement. Until we take the struggle against terrorists to where they are trained and dispatched, our fences will remain, a daily triumph for them.

The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1896: New Aeroplane

PARIS — A despatch from Toulon states that Dr. Richer has just constructed an aeroplane which is shaped like a bird. It is about twenty-three yards long, and on each side has enormous wings with a total extent of sixty yards. The wings and the screw are worked by steam. In spite of its vast dimensions, the aeroplane is very light, being constructed of aluminum with hollow rods.

1921: Zionist Steps

CARLSBAD — The Zionist Congress adopted a series of resolutions on the question of Jewish immigration into Palestine, and also passed a resolution pressing for the fulfillment of the Balfour Declaration and emphasizing its friendly policy towards the Arabs. The congress passed a budget of £1,500,000 for the development

of Palestine, providing for land purchase, credit institutions for the promotion of agriculture and urban settlements, irrigation, education and an agricultural experimental station.

1946: Jesuits' Leader

ROME — The leadership of the Society of Jesus (Jesuits), one of the most important orders in the Roman Catholic Church, was conferred on a fifty-seven-year-old Belgian, the Rev. John Baptist Janssens. The indications were that prominent consideration in the choice was the Jesuits' relentless generation-old determination to convert Soviet Russia from atheistic Communism to Catholicism. A leader from a small country like the Netherlands, Belgium or Switzerland would make the society less suspect as the agent of any one nation's interests, that if an American or Englishman were chosen, it was hunted.

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LANGUAGE

There's No End in Sight for 'As We Know It'

By William Safire

WASHINGTON — "Ending the IRS as we know it" was a centerpiece of Bob Dole's economic plan, address with "You will have a president who will end the IRS as we know it."

This was, of course, a play on Bill Clinton's pledge, made in his 1992 acceptance speech and carried out as his re-election campaign began in 1996, to "end welfare as we know it," and repeated mockingly by Republicans in Congress as he vetoed their first two efforts to pass welfare-reform legislation.

"Many people heard only the first two words: end welfare," wrote Jason DeParle in *The New York Times* Magazine about that '92 promise, "but Mr. Clinton was mindful of the as-we-know-it qualifier."

"He was talking about new training programs, expanded child care, universal health care."

The earliest use I can find applying the qualifier as we know it (AWKI) specifically to welfare was by David Stockman, before his term as the frequently woodshedded Reagan budget chief, in 1978: "Welfare as we know it should be abolished," he asserted in an article for an economics journal, "for all but the nonworking — the aged, blind and disabled — whose eligibility can be ascertained by reference to physical characteristics."

WE have come to know as we know it all too well. In "Independence Day" (the movie blowing up White House, not the Pulitzer Prize-winning novel about a real-estate salesman's rites of passage), a computer expert persuaded a fictional U.S. president not to employ nuclear missiles against the Martian spacehips hovering over Earth, warning that it would mean "the end of life as we now know it."

The rock group R.E.M. (the initials stand for "rapid eye movements" that take place in sleep) recorded a song in

1987 titled "It's the End of the World As We Know It (And I Feel Fine)."

AWKI originally meant "as it is understood today," then was used as an intensifier, then (in Clinton's case) as a qualifier and often — as it gained cliché status — as a self-mocking dramatizer.

What was it before we knew it? In tracking back the source, before welfare, life, and the world came civilization, Elizabeth Knowles of Oxford University Press cites Orson Welles, in his 1941 "Citizen Kane," proclaiming: "I've talked with the responsible leaders of the Great Powers. . . . They're too intelligent to embark on a project which would mean the end of civilization as we now know it."

The screenwriter Herman J. Mankiewicz popularized, if he did not coin, that use of the phrase. More than half a century later, it is used with a tongue-in-cheek connotation: reviewing a \$24-dreadful thriller, "Triangle of Death," by Michael Levine and Laura Kavanau, in a recent *New York Times* Book Review, Colin Harrison refers to a fictional genetically engineered drug that stimulates a 20-minute orgasm and wryly notes: "Such a drug would no doubt imperil morally upright civilization as we know it."

The hawkshaws of the Phrasedick Brigade led me to an early etymological source.

When I queried the American Dialect Society's bulletin board on the Internet, a writer on gardening, Duane Campbell, dug up and sent back a citation from Oscar Wilde's essay "The Decay of Lying," in his 1891 book, "Intentions," in which a character says, "The 19th century, as we know it, is largely an invention of Balzac."

Pretty soon the cliché will wear out, phrase makers will turn to fresher material and that happy day will spell the end of as we know it as we know it.

The Whitewater case is producing locutions as well as prosecutions. Joe Pinder of Washington sends along an article from *The Washington Times*,

filed from Little Rock, Arkansas, by Hugh Aynesworth. In it, the assistant independent counsel, Jackie M. Bennett, asked an investment partner of Jim Guy Tucker, then governor of Arkansas: "Would it be fair to say that Governor Tucker kind of rolled your pants leg up on that one, didn't he?"

The witness, R.D. Randolph, glumly replied: "I came out on the short end of the stick."

The short end of the stick, which first appeared in print in the mid-1800s, refers to the old custom of fighting with sticks or staffs; whoever holds the short end is at a disadvantage. Less familiar is rolled up your pants leg, which, according to Aynesworth, means "saw what you had, looked at your hand — it's Arklatexan, colloquial for this area, meaning 'took advantage of.'"

HE referred me to Guy Bailey, a native of Oklahoma, now dean of liberal arts at the University of Nevada at Las Vegas, familiar with idioms of Oklahoma and the Arklatex region (southwestern Arkansas, northeastern Louisiana and northeastern Texas). Dean Bailey directed me to the song "Deep Elm Blues" (the elm is pronounced E.L.-um), recorded by the Shelton Brothers, from northern Louisiana, in the early 1930s.

"When Dallas was becoming the first urban community of the Southwest in the late '20s," says Dean Bailey, "folks were drawn there to have a good time. The song alerted them to the evils of the big city and advised them to protect themselves while there. It warned them of what could happen to careless country people."

The telltale lyric: "Now when you go down in Deep Elm, put your money in your socks/Or the women in Deep Elm, well, they'll put you on the rocks."

And how do you get the money out of the poor innocent's socks? First you roll up his pants leg.

Delicious dialectal discovery. Who says Whitewater is a waste of taxpayers' money?

New York Times Service

INTERNATIONAL

Juliet Prowse, Dancer, Dies at 59

New York Times Service

NEW YORK — Juliet Prowse, 59, the tall, leggy dancer with the sultry smile and the bee-sting lips who became a tabloid celebrity when she offended Nikita Khrushchev and captivated Frank Sinatra, died of pancreatic cancer Saturday in Los Angeles.

Miss Prowse had been a staple of Las Vegas nightclub acts, television specials, and touring musicals for more than 30 years.

Although Miss Prowse was an accomplished dancer who had been trained in classical ballet in London and South Africa and had a successful career in Europe before being discovered in Italy by the choreographer Hermes Pan, she was an unknown in the United States when Mr. Pan recruited her to appear with Mr. Sinatra and Shirley Maerline in the movie-musical "Can-Can."

Then came the day in 1959 when Mr. Khrushchev, the Soviet leader, visited the "Can-Can" set in Hollywood during a celebrated state visit to the United States and pronounced the entertainment "immoral." Within hours, Miss Prowse's scantily clad image was in virtually every newspaper in America, and she was being hailed by Hollywood as another Betty Grable.

Although she won enthusiastic praise for both her acting and her dancing in "Can-Can," Miss Prowse was two decades late for the era of the big Hollywood musical, and she appeared in only a few, largely forgettable movies, among them, "The Second Time Around" with Debbie Reynolds; "Who Killed Teddy Bear?" with Sal Mineo, and "G.I. Blues," with Elvis Presley.

But the Khrushchev remark, a romance with Mr. Sinatra (they were engaged for six weeks in 1962), and a simultaneous fling with Mr. Presley made her an enduring darling of the gossip columns and enhanced her popularity as a television and night club performer.

Nicholas Wahl, 68, Expert On French Political Affairs

NEW YORK (NYT) — Nicholas Wahl, 68, an American political scientist who turned his Institute of French Studies at New York University into a magnet for droves of French political scholars, French journalists and French politicians, died of cancer Saturday at a hospital in London.

The friendships with French political figures Mr. Wahl made in Paris in the 1950s and those he added in the fol-

lowing decades served him well throughout his academic career, first at Harvard, then at Princeton and since 1978 at NYU.

Although he rarely published, Mr. Wahl, a perfectionist who insisted on accumulating masses of research material before beginning a new course, was widely recognized both in the United States and France as a leading expert on contemporary French political affairs. In Paris he knew everybody, and his views on the current political scene were sought after by the French press.

Elezar de Carvalho, 84, Conductor and Composer

NEW YORK (NYT) — Eleazar de Carvalho, 84, the Brazilian conductor, composer and teacher who enjoyed long associations with major American symphony orchestras and music schools, died of cancer Thursday night in Sao Paulo.

Mr. de Carvalho was the artistic director for life of the Sao Paulo Sym-

phony Orchestra and professor emeritus of the Yale School of Music.

He first came to attention in the United States in 1946 as a student of Serge Koussevitzky at Tanglewood, the summer home of the Boston Symphony Orchestra. In 1948, Mr. de Carvalho and two other Koussevitzky protégés, Leonard Bernstein and Robert Shaw, were given opportunities to conduct the orchestra at Tanglewood. Comparing Mr. de Carvalho and Mr. Bernstein, the *New York Times* critic Olin Downes wrote that the Brazilian "may prove to be the profounder of the two."

Bibi Besch, 54, an actress who appeared on many of television's most popular shows and was on the board of the Screen Actors Guild, died Sept. 7 of cancer in Los Angeles.

Charles Norman, 92, a poet and the author of biographies of E.E. Cummings, Ezra Pound and other literary figures, died Tuesday in Newport, Rhode Island.

U.S. Rap Star Dies of Wounds From Shooting

The Associated Press

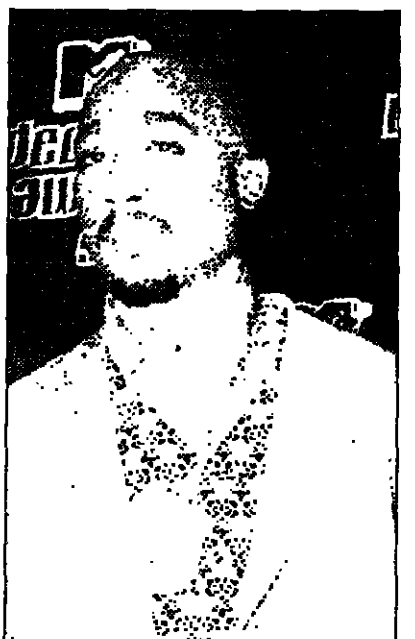
LAS VEGAS — Tupac Shakur, the rapper whose raw lyrics drew on the rage of a coarse urban existence and seemed a blueprint of his own violent life, has died from wounds suffered in a drive-by shooting. He was 25.

Mr. Shakur, whose right lung was removed after he was shot Sept. 7 in Las Vegas, was pronounced dead at 4:03 P.M. Friday at the University Medical Center.

Known as 2Pac, he was one of the most successful — and scorned — "gangsta" rappers. Fans bought millions of his records; others denounced him for glorifying violence and drugs.

Mr. Shakur was hit by four bullets as he rode near the Las Vegas Strip in a car driven by the head of Death Row Records, Marion (Suge) Knight, who was wounded. There have been no arrests.

It was the second time Mr. Shakur had been gunned down. In November 1994, he was shot five times during an apparent robbery in the lobby of a Manhattan recording studio, and on his latest album he even bragged about it: "Five shots and they still couldn't kill me."



Tupac Shakur's lyrics were like his life.

Arrested repeatedly in recent years, he was released last year pending appeal after serving eight months in a New York prison for sex abuse. But he had support from black leaders, including the Reverend Jesse Jackson, who visited him in the hospital, and the Reverend Al Sharpton, who counseled him in prison.

U.S. Agents to Protect Haiti's Leader During a Purge

By Thomas W. Lippman
Washington Post Service

WASHINGTON — The Clinton administration has sent two dozen diplomatic security agents to Haiti to help protect President Rene Preval, whose own guard force is about to be purged of agents suspected of participating in political murders, according to senior U.S. officials.

The expected housecleaning of the presidential security force in Haiti will vindicate conservative Republicans in Congress, who have been complaining for more than a year that U.S. aid funds were being channeled to Haitian groups

suspected of involvement in political assassinations.

Republican legislators have tried doggedly to devalue one of President Bill Clinton's proudest achievements — restoration of democratic rule in Haiti — by citing corruption and violence in the current government there.

Administration officials said there was a more positive side to Mr. Preval's decision to purge his security force. "It's part of a pattern in which we see Preval trying to strengthen Haitian institutions," a State Department official said. The officials also acknowledged, however, that nearly two years after Mr. Clinton sent U.S. troops to restore demo-

cratic government, that Haiti remains violence-prone and corrupt, with government institutions that are fragile at best despite millions of dollars in U.S. aid.

Republicans in Congress denounced the plan to use \$3 million in defense funds to pay for the new security agents.

Mr. Clinton "is telling us he wants to send \$3 million in new U.S. foreign aid to Haiti, so that he can protect Preval from his existing security force, a bunch of thugs and assassins, who were trained, equipped and funded with previous U.S. foreign aid," said Marc Thiessen, spokesman for Jesse Helms, the Republican chairman of the Senate Foreign Relations Committee.

BOOKS

SOME REMARKABLE MEN

Further Memoirs

By James Lord. Illustrated.
\$4 pages. \$27.50. Farrar, Straus & Giroux.

Reviewed by Michael Kimmelman

THIS is an almost guilty pleasure to read, a wickedly entertaining book, written with old-fashioned panache. It also means to be a work of moral dimension. A distant and highfalutin comparison may be to the letters of

Horace Walpole, the English chronicler of society. But you have to imagine Walpole writing for Spy.

James Lord, the 74-year-old American biographer and writer on art, has lived mostly in Paris for the last 50 years, making it his business to befriend cultural luminaries. Previously he has written highly personal and contested accounts of Alberto Giacometti and Picasso, and a stylish collection of his memories of prominent women. Here he writes about four famous men he has known: the aesthete Harold Acton, the singular

writer and filmmaker Jean Cocteau and the artists Balthus and Giacometti.

To Lord each one is an exotic European of serpentine and exquisite sensibility, a condition he seems to find both compelling and something of a liability, except in the case of Giacometti, who is for him a near-saint. Lord writes about Giacometti with unusual sensitivity. His devotion to him, he acknowledges, is barely short of erotic, and even Balthus, who in his personal affairs is otherwise condemned by Lord as a snob, is partly redeemed by

the reflected honor of his long-time friendship with the artist. As for Cocteau and Acton, they are viewed with a mix of affection and ruthless insight that is mildly alarming.

Lord is a Romantic throwback, and this is apparent in his treatment of Balthus, whose early paintings Lord admires. True, he is depicted as the preposterous owner of the Chateau de Chassy in France, a dour and empty pile that the artist could not afford to furnish because he had acquired it with his last dime just so he would be able to boast that he lived in a chateau.

Lord takes obvious pleasure in mocking Balthus's dubious claim to nobility. But then he allows that "aristocracy clearly represented for him a distinction of personal bearing that reflected the integrity of his commitment to standards and values which had prevailed when titles still meant something." In other words, Balthus may be a snob, but what is good about his art depends on a snobbish disregard for ordinary mores. And art counts above all else.

Acton's craving for admiration undid him as a writer, Lord says, because it caused him to shade the truth. He failed to own up to his homosexuality, for example, and for Lord, who has always been openly gay, this is pathetic.

By contrast, Lord praises Cocteau for his sexual honesty. Alas, he also contends that Cocteau, though more gifted than Acton, "put his talent into his life" instead of his work, and cared too much about ingratiating himself with important people.

Michael Kimmelman is on the staff of *The New York Times*.

BRIDGE

By Alan Truscott

IT is generally assumed that young players bid aggressively and become more conservative as they grow older. By that measure, Steve Stanton has yet to grow old, although he is, at 88, the country's second-oldest active male duplicate director. He was playing in a dub game with Sallie Harris, who is a mere 82.

When she opened two no-trump as South on the diagrammed deal, most partners would be content to play in game in hearts or no-trump, but Stanton transferred into hearts and drove to six hearts, checking for ace-ten route.

She won the opening lead with the diamond ace, cashed two club winners and ruffed a diamond. She then ruffed a club with the heart queen, which was permitted to win, and led her remaining trump.

South was able to drive out the heart ace, and superficially had 12 tricks. But there was

now a surprising problem. The South hand, which had begun with five quick tricks, was short of entries. West ducked one heart and won the second in this position:

NORTH
♦ Q J 10
—
—
♠ 8 5

WEST
♠ 5 3
♥ 8
♦ Q J 8
—

SOUTH
♦ A K 9 6
—
♠ 5 4
—

EAST
♦ 10 8 7 4
♥ 4
—
♠ Q

West led the diamond queen, as good as anything, and dummy ruffed, putting pressure on East.

A black-suit discard would have been fatal, and an undertrick simply postponed the issue; dummy's trump winner then squeezed East fatally.

Two points are worth noting. South decision to ruff a

diamond at the second trick was awkward but necessary, for a spade lead to dummy would have allowed West to play a second round in that suit eventually breaking the North-South communications. And the unlikely opening lead of the ace and another trump would have defeated the slam.

Both sides were vulnerable. The bid:

West North East
1 N.T. Pass 3♦ Pass
3♦ Pass 4 N.T. Pass
5♦ Pass

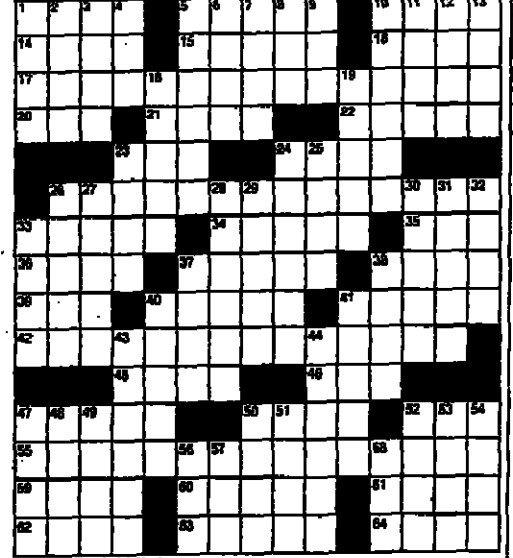
West led the diamond king.

CROSSWORD

ACROSS
1 Boxer's pokes
5 Hammond bowl
10 "Dragner" star
14 Norway's capital
15 Mutt
16 Film director
17 "Let's get outta here!"
20 Catch, as a criminal
21 Spots in the Seine, for instance
22 Grad student exams
23 Moray

DOWN
1 First name of four Presidents
2 On the briny
3 Tell all
4 Yard square
5 Moon-landing program
6 High-tailed it
7 Plenty
8 Alias, in Augsburg
9 "Cried" (1962 hit)
10 Nut
11 Seat queen
12 Invoice

13 Paul McCartney's instrument
14 Feudal estates
15 A doctor keeps them
23 Son of Seth
24 Rocket engine force
25 "Nocturnal" mates
26 Walk up
27 The "U" of UHF
28 Why's answer
29 Circus performer
30 Bare
31 Ahead of schedule
32 Alluring
33 "Bon" (good evening, abroad)
34 Eatery
35 Callopie, e.g.
36 Kid
37 Singer Midler
38 Making hitting sounds, as an engine
39 Chopped up
40 Horned vipers
41 Home of Brigham Young
42 — avia
43 Sandwich cookie
44 "Look" (I'm in Love)



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CAPITAL MARKETS ON MONDAY

Analysts Put Timing of U.S. Interest-Rate Increase on Back Burner

By Carl Gewirtz
International Herald Tribune

PARIS — "Don't stand in the way of a moving locomotive" is how Kit Juckes at NatWest Markets in London sums up the impressive rally that swept through financial markets last week as fears of an impending increase in U.S. interest rates suddenly faded.

But like most analysts who had been anticipating as much as a half-point rise in the cost of short-term money at the Federal Reserve Board's policy-making meeting Sept. 24, Mr. Juckes now sees only a likely postponement and not a cancellation of such a move.

The view at J.P. Morgan & Co. has also shifted. Analysts there now say that with the presidential election in November and the usual distortions in the run-up to the year-end closings, the prospect of a rate increase is more likely to be an

issue in the first-quarter of next year rather than in the final quarter this year.

"We have not entered a new era" of subdued inflation and prolonged monetary accommodation, said Jim O'Neill at Goldman, Sachs & Co. in London. He said reports last week of surprisingly weak retail sales and still subdued inflation "only make it less likely the Fed will move Sept. 24."

John Lipsky at Salomon Brothers Inc. in New York said that "although data remain benign, the weight of evidence still suggests that the economy is operating on the razor's edge of a potential rise in inflation and inflation expectations." Citing the acceleration in hourly wages, he said that "other forward-looking indicators suggest that the economy is on the cusp of an inflation pick-up."

But Philip Braverman, a New York-based analyst at DKB Securities and

nearby a lone contrarian, said the Fed would ultimately cut interest rates in response to economic sluggishness and subdued inflation.

For traders, however, what counted last week was the prospect that there would be no immediate rate increase — and that meant massively reversing positions that had been built on the assumption rates would rise.

The suspicion of many analysts is that the powerful rise in the price of bonds and stocks was largely driven by short-sellers rushing to repurchase assets they had sold on the expectation prices would fall.

Judging by the exceptionally heavy volume of international bonds offered last week, it would appear that demand for U.S. dollar paper is substantial. But that may be accounted for by the record amounts of outstanding dollar bonds maturing. Redemptions of dollar bonds

in the third quarter, mainly in September, and in the final quarter are estimated to be running at \$25 billion each. Such flows are typically reversed in the same currency.

Some analysts see more to it than that. Peter von Maydell, a London-based analyst at Union Bank of Switzerland, said: "It's a yield story." The interest-rate differential between the yield on 10-year U.S. and German government bonds had hit a two-year high, with U.S. paper paying 63 basis points more, although by the end of the week the rally in New York had cut that back to a 54-basis-point gain. As recently as March, for example, it was the other way around, with yields on German paper above American levels.

Jan Leys at J.P. Morgan in London said: "Many international investors have been underweight in exposure to the dollar and the U.S. bond market and are likely to be rebuilding positions." Neil MacKinnon at Citibank in London also cited the dollar's inability to sustain its midweek level of 1.5171 Deutsche marks, the highest it has been since early July. He said that supported his view that fund managers already owned, or were long, the currency, and while there was incentive to sell the dollar, or go short, there was also no reason for them to do so.

The dollar ended trading at 1.5140 DM in New York, a rise of 1.4 percent over the week. Mr. MacKinnon said he expected that "at the outer limit, the dollar might get up to 1.55 DM." But Mr. von Maydell forecast "a slow grind up toward 1.60 DM early next year."

A substantial portion of three global dollar bonds offered last week were sold into the United States. Domestic in-

vestors are estimated to have taken 50 percent of the \$1 billion 10-year bonds sold by the European Investment Bank and nearly 70 percent of the \$500 million callable issues from the federal mortgage agencies Federal National Mortgage Association and Federal Home Loan Mortgage Corp.

Most new issues were for maturities of five years or less, which reflected the defensive nature of the market.

Attracting the most attention were the jumbo \$1.5 billion Italian issue, which was priced to yield 24 basis points over comparably dated U.S. government paper;

the \$500 million issue from the Export-Import Bank of Korea priced at 44 basis points over the benchmark; and \$400 million from France Telecom, which made its debut in the dollar market.

Britain is expected to issue this week a 10-year, \$2 billion issue to complete refinancing of a \$4 billion floating-rate note maturing at the end of this month. The first part of the refinancing was completed in July when it sold \$2 billion of five-year notes.

The only scheduled issue in markets South Africa's seven-year issue of up to 500 million DM.

Balancing Fed Expectations

Bloomberg Business News

NEW YORK — After one of the best weeks for U.S. Treasury bond prices, bonds could get buffeted this week by more shifting expectations for the Federal Reserve Board in the days ahead.

The yield on the benchmark 30-year Treasury bond fell 15 basis points from the previous week, to 6.95 percent. Most of the decline came Friday, as the government's monthly reports on consumer prices and retail sales led many investors to scale back expectations for a Fed interest-rate increase.

"The U.S. Treasury market is appropriately assessing that there won't be a move by the Federal Reserve in September and that there might not be one at all this year," said Wayne Lysky of Alliance Capital Management.

Despite comments by Fed governors Janet Yellen and Lawrence Lindsey that suggested central bankers were leaning

more toward raising rates after Friday's numbers, Fed Vice Chairman Alice Rivlin said U.S. inflation remained "surprisingly well behaved," given the strength of the labor market.

Even so, reports this week could swing

expectations the other way, some analysts said. The report on housing starts due Thursday will be "pretty important because housing is where interest rates have quicker impacts," said Evelina Tainer, chief economist at Indosuez Carr Futures Inc. in Chicago.

"We've seen mortgage rates at 8 percent or above for the past several weeks," she said.

"If you don't see a big drawdown in housing activity, that would be one sign that you need a little tightening to slow down the economy."

Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending Sept. 13. Prices supplied by Telekurs.

Risk Name Cps Maturity Price Yield

Belgian Franc

193 Belgium 9 03/28/03 116.8400 7.7000

British Pound

180 Bank Austria AG 6 12/15/98 100.2500 6.7300

184 Bank Austria AG 9 10/13/00 100.2500 6.7300

250 Bank Austria AG 7 12/07/06 97.4600 7.7000

Canadian Dollar

148 Canada 6 03/15/98 99.8824 6.1000

190 Canada 7 03/01/01 101.2284 7.3900

192 Canada 7 12/01/06 101.2284 7.3900

241 Canada 8 12/01/06 101.2284 7.3900

Danish Krone

12 Denmark 8 03/15/98 104.9500 7.6200

23 Denmark 8 11/15/01 107.9300 7.4100

35 Denmark 8 12/15/98 102.1500 6.7200

37 Denmark 8 11/15/98 101.4100 6.8400

47 Denmark 8 12/15/98 101.4100 6.8400

52 Denmark 8 12/15/98 101.4100 6.8400

69 Denmark 7 02/15/98 101.4100 6.8400

77 Denmark 7 08/15/97 102.7000 6.8200

104 Denmark 8 05/15/03 107.1800 7.4400

117 Denmark 8 11/15/98 100.8100 6.5200

134 Nykredit 3 Cs 6 10/01/26 82.6500 7.5000

Deutsche Mark

1 Germany 6 04/26/06 99.6783 6.7200

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CAREERS

Poetry in Motion and a Time to Floss: Meet the Master Jugglers

By Lawrence Van Gelder
New York Times Service

NEW YORK — Sure, sure. We know. There's just not enough time in the day, the month, the whole year, for that matter. You would love to exercise, plow through books, play an instrument, learn a foreign language. You would even floss your teeth if you had more time. But hey, there is only one of you. You have a demanding job, a busy schedule and you've got to sleep sometime, right?

Well, some people fit all sorts of activities into crowded lives, and manage them without the help of a clone. Here are the tips.

As the Romans used to say: a sound mind in a sound body.

Carol A. Benet of Belvedere, California, manages to learn poetry while holding three part-time jobs as a counselor to job-seeking doctoral candidates at the University of California at Berkeley, as a leader and teacher of 12 book study groups, and as an art critic and columnist for a couple of newspapers.

"While I am swimming laps, a mile two to four times a week, I memorize poetry," she said. "I have the poem typed out and put in a Baggie sitting at the end of the pool, and every two or four laps I read a new part to memorize, or review poems learned earlier. The rhythm of the strokes plus the boredom of the activity makes memorizing poetry an exhilarating exercise."

Now that she works at Eastman Dental Center in Rochester, Lisa Farrell said she "can no longer ignore the perils of gum disease." She regularly hears hor-

ror stories about patients who have been lax about flossing and brushing.

"I always avoided flossing in the past because it seemed to be a waste of time, and it was so boring," she said. "Today, I have a new attitude, thanks to a time-management tool that I developed myself. Now during my daily shower, I floss my teeth immediately after applying conditioner to my hair. This way the conditioner gets to set into my hair, while I floss my teeth. I used to wash it out almost immediately after putting it on."

"The end result: the healthiest gums and softest hair I've had in years."

Has a hectic life become even more hectic now that the baby has arrived?

How about a leaf from the time ledger of Mitchell J. Nodchin of Brooklyn, New York, the father of Zoe and husband of Pam?

"In my spare time I used to study and teach martial arts, but I was forced to curtail those activities almost entirely due to increased load at work and parenting responsibilities at home," he wrote.

"I still manage to get my exercise by taking my running gear and running home to Park Slope from my office in lower Manhattan. It's a great run over the Brooklyn Bridge then onto the Promenade and into Cobble Hill, Carroll Gardens and then Park Slope. I even save \$1.50 subway fare. I can then shower, feed Zoe and do work at home on my Mac."

"Any files that I did not want to carry home because I was running I can usually E-mail to myself at home and then E-mail back for the next day."

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Dollar Leads Firms to Mexico

By Brendan M. Case
New York Times Service

MEXICO CITY — Where billions of dollars flow, can Wall Street be far behind?

The migration of Mexicans across the border with the United States is now producing what some analysts estimate is an annual transfer of \$4 billion to \$6 billion back to family and friends who are shuttling to Mexican banks and wire transfer agencies to pick up money that helps them make ends meet.

For folks like Felipe Morales, who is unemployed in Mexico City, the equivalent of the \$100 to \$200 in pesos he gets from his son, a construction worker in New York, is a godsend.

It is also producing a torrent of profits for First Data Corp., which owns Western Union and Moneygram, and attracting new competitors, including Wells Fargo & Co. and even the U.S. Postal Service. Now Wall Street firms have devised a way to sell securities tied to the money that is flowing south.

The money has been moving from the United States to Mexico in such predictable amounts for the past few years that bankers and other experts expect it is destined to grow.

They also say that it reflects the evolution of a single labor market between the two countries that is generating a reliable source of dollars for Mexico.

"Why do all these companies have so

much confidence in this business?" asks Fernando Lozano Ascencio, a doctoral candidate in sociology at the University of Texas who has studied the business. "It's because we have this transnational labor market." There are millions of people in the United States "with strong family ties in Mexico and lots of money crossing the border."

In fact, the flow of money has gotten so steady that last month, in the second deal of its type, SBC Warburg Inc., the Europe-based investment bank, sold \$100 million in securities tied to money moving to Banco Internacional, Mexico's fourth-largest bank, from the United States. Last year, J.P. Morgan Securities Inc. and Merrill Lynch & Co. completed a \$206.5 million sale with Banco Nacional de Mexico, or Banamex, the country's largest bank.

In simplest terms, the securities allow the Mexican bank to sell a \$100 million portion of its anticipated money transfers to investors before it even gets the money.

The bank will not comment on the specifics of the latest deal. But in general terms, it receives \$100 million immediately on the promise to pay a little more than 8 percent interest in regular payments financed by the stream of wire transfer dollars.

For the bank, it is one way to attract dollars and to try to make a greater profit by reinvesting the money.

The investors, which include banks,

insurance companies and pension funds, expect to collect a regular flow of cash — guaranteed by the wire transfers — that represent the interest, plus repayment of the principal.

For years, Wall Street has used the idea, known as "asset securitization," as a means for banks who make auto, mortgage and credit card loans to raise money by selling a portion of the projected income on their loans.

While immigrants draw the ire of some American politicians, their money is spawning new business opportunities.

"This can be a very good business and a lot of companies are just waking up to that," Lozano Ascencio said.

The U.S. Postal Service and its Mexican counterpart have just started a new electronic wire service with Grupo Financiero Bancomer, Mexico's No. 2 bank. Wells Fargo, the big San Francisco banking company, launched a competing service earlier this year with Banamex. Electronic Data Systems Inc. and other Mexican banks are said to be considering starting their own businesses.

Another company, World Center Video Conferences of Mexico City, is proposing to embellish the service by adding a brief video visit between money sender and recipients. They are talking about setting up 400 offices around Mexico linked to sites in Los Angeles, Houston and Chicago.

Oracle Moves to Showdown on the Net

By Mitchell Martin
International Herald Tribune

PARIS — Lawrence Ellison, the outspoken chairman of Oracle Corp., is returning to France on a roll.

His company's stock rose more than 10 percent Friday, to \$42.125, after several analysts raised their ratings on the shares and, even more importantly, his year-old idea of linking simple, inexpensive devices to the Internet is about to get a try in the market.

If Mr. Ellison is correct, Oracle is well-positioned to be selling programs it has devised to companies that would maintain information and processing power on central computers known as servers. This would shift some of the control of the computer industry away from Microsoft Corp., whose Windows operating systems for personal computers are so popular that the company sets the pace for much of the industry.

Preparing to leave California for Paris on Friday, Mr. Ellison said precedent was on his side. The industry, he said, "re-invents itself every 15 years" and each new generation of computers "is cheaper and easier to use than the generation that precedes it." He added that there was no reason that the current Microsoft standard should be eternal: "For those of you who are 'Star Trek' fans, you never saw Spock walking around with a little Windows laptop."

Mr. Ellison and Bill Gates, his counterpart at Microsoft, are scheduled to address an International Data Corp. computer conference in Paris on Monday in back-to-back presentations debating the idea of Internet appliances. The conference is the same forum in which Mr. Ellison last year proposed his idea of a \$500 machine that could send and receive electronic mail, view Internet pages and interact with on-line

services but not do much information processing and data storage of its own, a concept Mr. Gates disagreed with.

Microsoft subsequently announced that it was working on an idea it calls Simply Interactive PC, which would allow similar stripped-down and portable devices. But these would be compatible with its Windows operating systems, while the machines proposed by Oracle would not.

In the relatively short space of a year, several manufacturers have decided to make the Oracle-backed units, and some

puters, but where he differed with Mr. Ellison was on the question of whether people will want to do their own computing or will prefer to tap into servers.

Mr. Ellison, whose Internet-appliance concept is supported by such industry heavyweights as Apple Computer Inc., International Business Machines Corp. and Sun Microsystems Inc., says the Windows-based personal computer is too difficult and too expensive for most people to use. A network computer, he said, should be as easy to use as a telephone or television, devices that connect to intricate networks but that present consumers with the simplest of controls.

"There are two barriers to usage: One is cost, and one is complexity, and the PC is going in the wrong direction; it is getting more and more complex," he said. For this, he blames Mr. Gates. "The PC is totally defined by Microsoft. It is proprietary province of Microsoft," he said. "They do whatever they want with the PC."

Referring to the chief executive of Intel Corp., whose chips provide the processing power for most of the world's personal computers, Mr. Ellison said, "If Andy Grove puts something into the hardware, it's kind of irrelevant unless Bill Gates exposes it in the software."

If the Monday presentations are indeed a battle of titans, Mr. Ellison is moving into a challenger's role. This year, he is scheduled to speak first, and the topic makes clear that Mr. Ellison's ideas are being taken seriously, at least by International Data Corp., one of the largest providers of information and analysis about the computer industry.

That topic is "The PC, the Network and the Internet: The Debate over the 'Internet Appliance.'"

The company hopes to reduce Microsoft's industry dominance.

Sony Pictures, Act 2: Chairman Is Replaced

By Bernard Weinraub
New York Times Service

LOS ANGELES — Sony Pictures Entertainment, beset by a string of box-office failures, has ousted its chairman, Mark Canton, after a rocky reign of nearly five years, and named Lucy Fisher, his second-in-command, to the post.

Ms. Fisher, who was appointed late Friday, is a respected movie executive who worked for more than 14 years at top jobs at Warner Brothers before joining Sony Corp. in March as vice chairman of its Columbia Tristar Motion Picture Cos. unit.

Sony executives, who asked not to be named, said Ms. Fisher, 46, had insisted that she retain her current title of vice chairman. People close to the company said Ms. Fisher was offered the title of chairman by Sony, but was uncertain whether she wanted to commit herself over a long term to the top studio job.

In the past, Ms. Fisher has turned down other high-level studio jobs because she has three young daughters. At the same time, she was known to be

uncertain about the longevity of the current management team at Sony and did not want to formally hold the job of running the studio if a new group should move in.

Mr. Canton's dismissal had been expected. His tenure was marked by an uneven track record, including early big-budget, high-profile disasters such as "Last Action Hero" and "I'll Do Anything."

It was an open secret in Hollywood that Mr. Canton's days were numbered after Sony's disastrous summer, which featured box-office disappointments such as "Multiplicity," "The Fan," "Striptease" and "Cable Guy."

Word of Ms. Fisher's appointment came as a surprise, however. Studio executives and agents had recently been riveted by reports that Arnold Rifkin, an agent who is president of the motion-picture group at William Morris Agency, had tentatively been offered the job by Alan Levine, to whom Mr. Canton reported.

Mr. Rifkin went so far as to tell his fellow agents at a meeting Wednesday

that he was in talks to take over the Sony studio, a comment that stirred turmoil not only in the agency but among his clients, who include Bruce Willis, Sylvester Stallone and Whoopi Goldberg. Rival agencies such as Creative Artists and International Creative Management began making plans to sign up the high-priced stars.

By Thursday, Sony had backed away from talks with Mr. Rifkin. On Friday, he was left embarrassed, and the Morris agency was in turmoil.

People close to Sony Corp. said that its chairman, Nobuyuki Idei, had met Ms. Fisher several times in recent months, had been impressed with her and decided to stay inside the company rather than hiring an outsider.

Adding drama to the entire episode was the role of Michael Ovitz, a power broker who is president of Walt Disney Co. and a former chairman of Creative Artists Agency. People inside and outside of Sony said Mr. Ovitz had spoken to Mr. Idei in recent weeks and had offered some guidance on the studio change-over.

Auto Talks Go on Past Deadline

The Associated Press

DEARBORN, Michigan — Sleep-deprived negotiators for Ford Motor Co. and the United Auto Workers bargained through the morning Sunday, trying to work out the final details of a new national contract.

The old three-year contract expired at midnight Saturday, the deadline for reaching a new pact, but talks continued with informal hourly extensions. Negotiating subcommittees worked nearly nonstop from 7:30 A.M. Saturday to 6 A.M. Sunday, took a break and returned to the bargaining tables about 9:30 A.M.

Anxious Ford workers at UAW locals across the United States said they had heard no significant word on the talks from their negotiators at Ford's world headquarters.

"We're expecting some type of announcement later today," said Ford worker Jerry Kline in Kansas City. "That's all we've heard."

The UAW never threatened to strike if the Ford deadline was not met.

Jon Hazmon, a Ford spokesman, said the company expected an agreement to be reached without a work stoppage. No immediate strikes were likely, because most Ford assembly plants are closed Sundays.

UAW spokesmen declined to comment on the talks, which have been marked by unusual secrecy.

The biggest hangups in the talks were believed to be a deal on "outsourcing," the practice of farming out parts work to outside, nonunion suppliers, and an extended period of lower wages for new hires.

The UAW wants the Big Three to guarantee limits on outsourcing, which has contributed to a dramatic decline in the union's membership over the past decade. The issue is expected to be especially difficult to resolve at General Motors Corp., which makes more of its parts in-house than Ford or Chrysler Corp.

The union also is pushing for a formal right to strike over any future outsourcing decisions.

The contract with the union affects 105,025 Ford workers. Once a deal is reached with Ford, the UAW is expected to use that contract as the framework for pacts with GM and Chrysler.

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Shareholders of Fidelity World Fund, a société d'investissement à capital variable organisée under the laws of the Grand Duché de Luxembourg (the "Fund"), will be held at the registered office of the Fund, Kansallis House, Place de l'Etoile, Luxembourg, at 11.00 a.m. on September 24, 1996, specifically, but without limitation, for the following purposes:

1. Presentation of the Report of the Board of Directors.
2. Presentation of the Report of the Auditor.
3. Approval of the balance sheet and income statement for the fiscal year ended May 31, 1996.
4. Discharge of the Board of Directors and the Auditor.
5. Election of six (6) Directors, specifically the re-election of Messrs. Edward C. Johnson 3rd, Barry R.J. Bateman, Charles T.M. Collins, Charles A. Fraser, Jean Hamillius and Helmut Fraus van den Hoven, being all of the present Directors.
6. Election of the Auditor, specifically the election of Coopers & Lybrand, Luxembourg.
7. Declaration of a cash dividend in respect of the fiscal year ended May 31, 1996, and authorization of the Board of Directors to declare further dividends in respect of fiscal year 1996 if necessary to enable the Fund to qualify for "distributor" status under United Kingdom tax law.
8. Consideration of such other business as may properly come before the meeting.

Approval of items 1 through 8 of the agenda will require the affirmative vote of a majority of the shares present or represented at the meeting with a minimum number of shares present or represented in order for a quorum to be present.

Subject to the limitations imposed by the Articles of Incorporation of the Fund with regard to ownership of shares which constitute more than three percent (3%) of the total outstanding shares, each share is entitled to one vote. A shareholder may act at any meeting by proxy.

Dated: August 1996

By Order of the Board of Directors

Fidelity Investments

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Figures as of close
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Figures as of close
of trading Friday, Sept. 13

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Average total returns this year, through Thursday

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metals group

All equity funds*

S&P 500-
stock index

+17.4%

+9.0

+10.6



NYT

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NASDAQ NATIONAL MARKET

Consolidated prices for all shares traded during week ended Friday, September 13

(Continued)

Stock	Div Yld	52-Week High	52-Week Low	Close	Change
Alcoa	2.8	34 1/2	28 1/2	31 1/2	+1/2
Altria	5.2	24 1/2	21 1/2	23 1/2	-1/2
Amgen	1.2	52 1/2	42 1/2	48 1/2	+1/2
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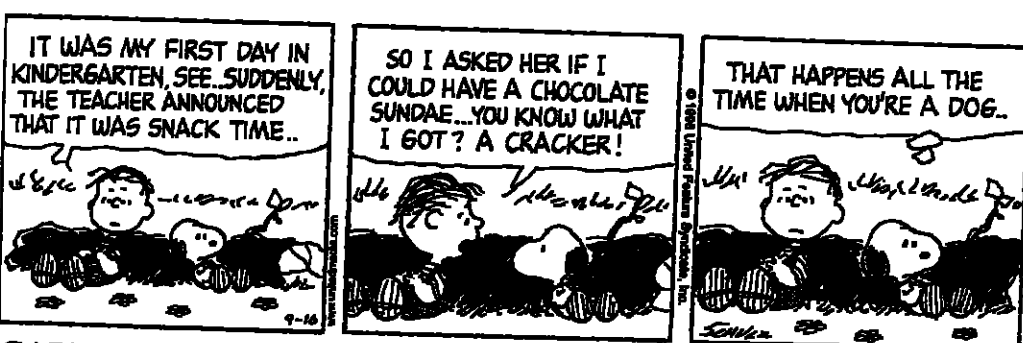
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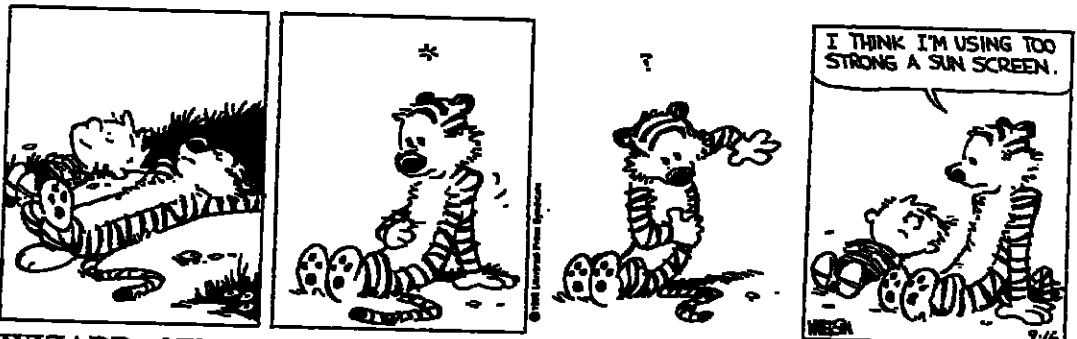
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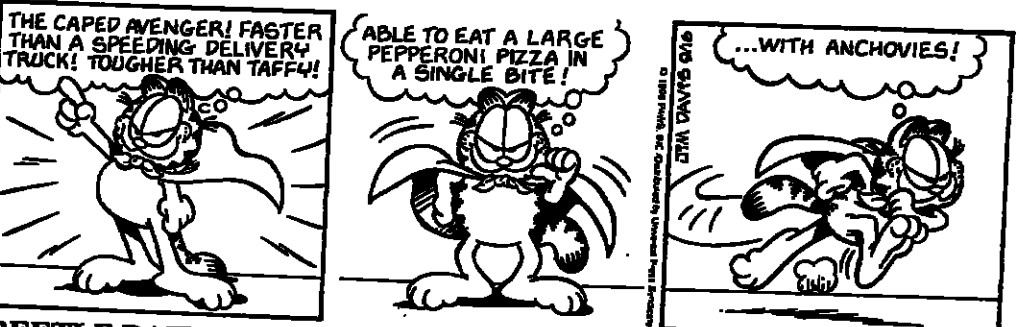
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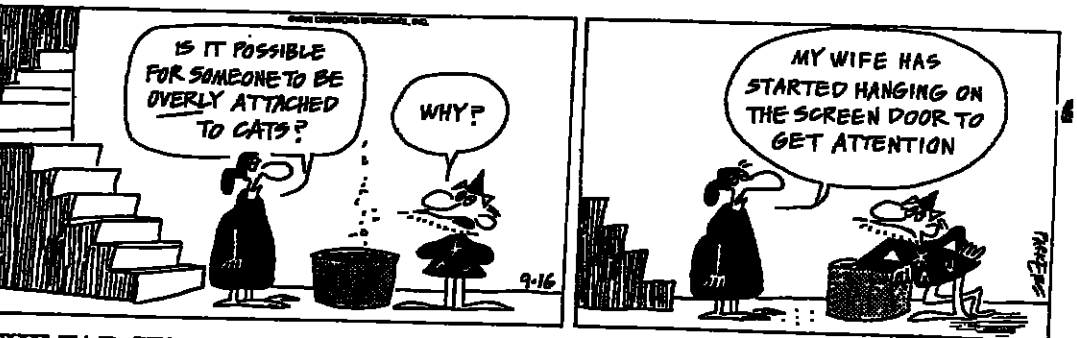
CALVIN AND HOBBES



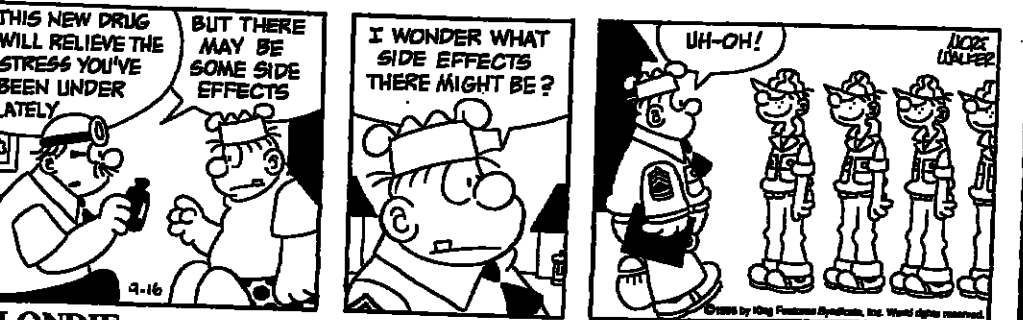
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Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

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CLEEX

MUSCLY

TEYQUI

Why they remained the best of friends.

Now arrange the checked letters to form the complete answer, as indicated by the above context, given by the above context.

Print answer here: THEY

Answers: DROUG, CLEEX, MUSCLY, TEYQUI

Source: Jumble: HAROLD LARSEN, MARLIN ARMSTRONG

Answer: Now they described their work on the construction team - MARLIN, LARSEN

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The Chachol
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Korean Economy

The Chaebol Gamble on East Europe

Investors Expect Big Returns in Rapidly Expanding Market

By Sharon Reier

PARIS — If there is any symbol that South Korea's large industrial groups, or *chaebol*, expect to be serious long-term players in Eastern Europe and the former Soviet Union, look no further than the Donald Trump-like grandiosity of their real estate plans.

In Moscow, LG Group is teaming up with the city of Moscow and Moscow National University on a Korean-Russian Trade Center, where the Korean investment commitment will be \$400 million. The 33-story structure will combine office space, a department store, apartments, a hotel and a sports complex. This, said Ki Joo Kwon, the executive director of LG Group's Moscow office, in a city where the typical real estate investment is a \$10 million renovation project.

The center will underscore LG's hopes for a major presence in Russia, where it now has ventures in coal, civil helicopters and the distribution of Kia automobiles. Within a year, the LG Electronics Group is slated to announce a major investment in television manufacturing there. LG already sells a million sets a year in Russia.

In Warsaw, Daewoo plans to build a 40-story Daewoo Center. The building will be an emblem of Daewoo Motor's \$1.1 billion commitment to modernize Poland's largest car company, Fabryka Samochodow Osobowych, or FSO. The size of this investment — albeit over six or seven years — has made Daewoo the largest international direct investor in the country. That sum, plus a promise to meet the Polish labor union's demand not to fire any of FSO's 21,000 workers

Continued on Page 19



The South Koreans are investing heavily in Eastern Europe. At left, a worker in Daewoo's Romanian plant; at right, its FSL truck operation in Poland.

Seoul Arrives At a Difficult Crossroads

Liberalization Forces A Rethinking of High Growth Policy

By Kevin Murphy

SEOUL — When the South Korean government first began talking a few years ago about "segyehwa," translated as "globalizing the economy and internationalizing local society by adopting new ways of thinking," many Koreans understood its message merely as a move to boost export competitiveness. Given Korean industry's remarkable success in world markets for ships, cars, steel and increasingly computer chips, efforts to lift the country's international performance by accepting economic standards embraced elsewhere in the developed world, slowly gained domestic support.

In time, segyehwa also came to symbolize the benefits of economic liberalization, for example, the new right to travel abroad and the chance to buy imports rarely available before.

But, as the negotiations surrounding Seoul's current bid to join the Organization for Economic Cooperation and Development (OECD) are showing, segyehwa is a two-way street, bringing South Korea both greater opportunities and more risks at the same time.

For every policy liberalization that frees local industry to compete more vigorously in world markets, another planned reform will open key sectors of the long-sheltered South Korean economy to challenges from foreign capital and business strategies.

Initially our growth strategy didn't seek to bring in foreigners, only their money. We preferred to do things

(Stella Kim, a freelance journalist based in Seoul, contributed to this and several other articles in this report.)

Continued on Page 18

North's Collapse: A Double-Edged Sword?

By Kevin Murphy

SEOUL — For more than four decades, Communist North Korea has posed a constant military threat to its capitalist southern rival which has risen from their devastating 1950-53 war to become the world's 11th largest economy.

Living only 44 kilometers (20 miles) away from the demilitarized zone, or just minutes by missile, government policymakers in Seoul have spent years and hundreds of billions of dollars bolstering their defenses against Pyongyang's 1.1 million-member armed forces.

But as compelling signs emerge that North Korea's Stalinist regime is in deep economic trouble, South Korea is facing a new threat from the North.

"The prospects for the North are very unstable and very unclear," said Moon Moo Hong, assistant minister at the Ministry of National Unification in Seoul. "We want to see peace on the peninsula and more cooperation between North and South is a way to achieve it."

The Pyongyang government's collapse might represent a moral victory over an old enemy, but government officials and economists agree such a turn

of events represents perhaps as serious a peril to the South as open hostilities.

In late August, President Kim Young Sam of South Korea endorsed a 12 percent increase in the country's defense budget, agreeing with a Ministry of Defense request for 14.26 trillion won (\$17.6 billion). The rise, the highest in five years, represents about 4 percent of South Korea's gross domestic product in 1995.

But the cost to South Korea if it were forced to assume direct responsibility for the North's 22 million people and its ailing economy could be much more, government officials and analysts said.

At a time when South Korea's economy faces considerable challenges in managing its own transition to a fully developed economy, it can ill afford a whole-scale bailout of its neighbor.

"When unification comes, our economy will be in great difficulty to find so much money," said Jo Dong Ho, a leading North Korea analyst at the Korea Development Institute, a top government think tank. "There is a belief that we should prepare to meet the costs of reunification, but how much should we save from now on?"

Estimates for the bill for rescuing North Korea's economy from six years

of shrinking growth, from famines and flooding, and from a legacy of central planning vary wildly. But all are enormous. Economists believe that in order to have only 5 percent of the money needed to rebuild North Korea on hand to begin acting in an emergency, a standby reunification fund would need to have from 10 trillion to 100 trillion won.

Given that South Korea's total government budget this year will be close to \$74 billion and its total GDP was \$451 billion last year, the savings need is staggering and potentially disruptive.

South Korean domestic interest rates currently stand at about 12 percent for one-year government bonds, among the highest in Asia's newly industrialized economies. The need to raise massive funds to help out the North could drive up those rates and cripple businesses in South Korea, whose international competitiveness is already under pressure from high domestic borrowing costs.

"If the costs of reunification are to be anywhere from \$200 to \$900 billion, accumulating a couple of billion dollars now isn't going to mean much," said Lee Doo Won, assistant professor of economics at Yonsei University. "If there were a collapse, we would have a

lot more serious problems than Germany ever faced."

The alternative, as much as many hard-liners in South Korea dislike it, is to help the North through its current crisis and to look past old bitterness.

"It's in South Korea's best interest that the North not collapse," said Mr. Lee. "But the South Korean government is in a difficult position to give direct aid because of conservative opposition."

Mr. Lee estimates that the North's economy is now less than one-20th the size of South Korea's and faces increasing difficulties since it can no longer rely on heavy assistance from its traditional socialist allies in China and the former Soviet Union.

Current food and fuel shortages can be alleviated by purchasing supplies on the world market, but North Korea has nearly run out of foreign exchange.

Pyeongyang watchers discount an imminent toppling of the leadership which is headed by Kim Jong Il who has consolidated his power since his father, Kim Il Sung, died two years ago.

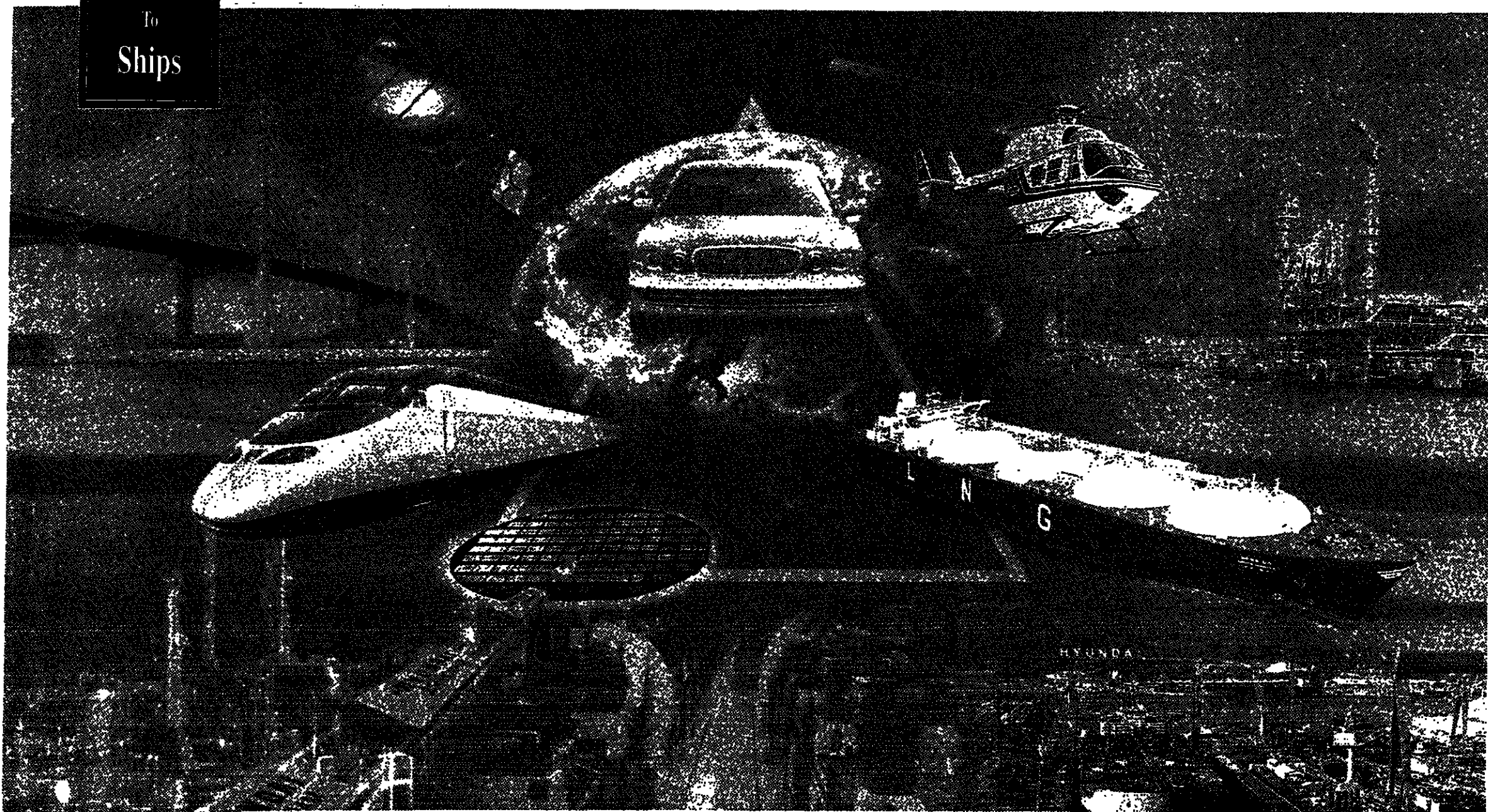
But no one interested in staving off potential chaos in the region wants to take any chances as emergency aid from South Korea, China, the United States and Japan has shown.

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KOREAN ECONOMY / A SPECIAL REPORT

For Ill-Prepared Banks, Liberalization Is Coming a Little Too Fast

By Kevin Murphy

SEOUL — As part of the South Korean government's general push to liberalize the country's economy, domestic banks are being encouraged to broaden their business activities and bolster their balance sheets before Seoul offers foreigners even greater access to its potentially lucrative but underdeveloped financial markets.

Eventually, raising money should become more efficient and cheaper and a few Korean banks will emerge from the competition as players on the global banking scene, or so the theory goes.

Already some Korean banks are reaping the benefits of less direct governmental control of their industry and steps that include the liberalization of deposit and lending rates. Successful banks are devising innovative ways to serve their customers better and developing new lines of fee-generating income.

Others are following their corporate customers into international markets as Korea's *chaebol* aggressively set up operations in countries from Mexico to Uzbekistan. Income from trade transactions, syndicated lending and project finance is growing.

But along the way, local bankers and analysts say, there will be some major bumps in the road. The shift to a more liberalized marketplace is coming too soon for banks long accustomed to an interventionist economic policy.

"Korean banks were like ships in a convoy; the group together could go only as quickly as the slowest among them," said Roh Soo Kyung, deputy general manager of Seoul Bank. "In such conditions, no particular bank does well, and no particular bank does too poorly either."

"But suddenly, because of liberalization, protective barriers will disappear and the division of roles will go, too," said Mr. Roh. "The changes will increase

competition and expose those of your aspects which are most vulnerable."

However, institutions like Seoul Bank are finding their speed and ability to restructure businesses hamstrung by balance sheets enfeebled by years of government-guided lending and by heavy investments in a local stock market that has fallen to its lowest levels in nearly three years.

In Seoul Bank's case, total nonperforming loans increased by 65 percent between 1991 and 1995, rising from 1 trillion won (\$1.22 billion) to 1.66 trillion won. This figure, exacerbated by recent problems in the local construction industry, took the bank's bad loans to 11.3 percent of all loans outstanding at the end of 1995.

The need to make provisions against these potential losses is limiting Seoul Bank's ability to make other internal investments to strengthen itself for increasing competition, bank officials and analysts said. But Seoul Bank by no

means is alone in its difficulties.

"Everyone's success in the future will be determined by their speed of adaptation," said Mr. Roh. "Right now, we are not doing so well. Our biggest problem is the scale of our organization; it is too big." He added, "We have closed more than 10 branches. We've tried restructuring, slimming down our staff numbers. We've tried everything, but it's very, very difficult. But it's nothing compared to the changes we will see in the coming years."

Most banking executives and government officials believe the Korean banking industry is primed for consolidation. However, the same obstacles that Seoul Bank faces in reducing staff to lower operating costs is likely to delay major mergers. Currently, it is nearly impossible to lay off workers, blocking immediate gains from consolidating two banks' workforces.

There are strong signs, nonetheless, that Korean banks' overall health is im-

proving. Twenty-six listed domestic banks posted a combined net profit of 603 billion won in the first half of 1996, compared with losses of 72.6 billion won in the same period last year, a major turnaround that analysts attribute to the

flow-through of increased earnings derived from wider interest rate margins.

KEVIN MURPHY writes from Hong Kong for the International Herald Tribune.

A Difficult Crossroads

Continued from Page 17

ourselves," said Shim Sang Dal, senior counselor to the deputy prime minister, Han Seung Soo, who also heads the powerful Ministry of Finance and Economy. "Korea has been quite proud that we have built our industries without much foreign presence."

"But the old strategy is not working any more. In our initial stages we worked at putting things together, but that pattern is no longer appropriate," Mr. Shim said. "The crux of *segyehwa* is to change that mind-set."

At the same time, South Korean policymakers are searching for the best ways to wean the country off high growth expectations that once served it well but are no longer sustainable, or compatible, with its current stage of development.

Through much of 1995, South Korea's gross domestic product grew at a rate close to 10 percent annually, but it began slipping in the last quarter of the year. In the second quarter of 1996, growth had weakened to 6.7 percent, forcing the government to recast its full year estimates for 1996 growth to only 7 percent.

But amid a popular clamor of concern about a weakening economy, analysts argue that a slowdown is actually beneficial. "We need to realize that we have run up against the limit of a quantitative-oriented growth strategy that relies on increments of factors of production," said Mr. Han, the recently appointed deputy prime minister, in his first policy speech in mid-August.

"Proof of this can be seen in our ever increasing imports of foreign labor and rising overseas investments by our domestic firms," he added, touching on concerns of a "hollowing out" of Korean industry and the specter of job losses.

Long a meticulously planned economy where the central government placed most policy decisions second to the creation and fueling of a powerful manufacturing export machine, South Korea now stands at a difficult crossroads.

"My concern, my worry is that we had a developmental dictatorship for so long," said Chung Mong Joon, a prominent independent legislator whose family controls the Hyundai Group, the country's second largest conglomerate. "Now we have a civilian government that takes too populist a view. It's not good for the economy."

At the same time, South Korea is finding that rising national wealth means it can no longer compete on low prices alone for its goods in world markets.

Rising wage and land costs, a heavy dependence on imported resources and raw materials for its manufacturers, and domestic interest rates that are a disadvantage to borrowers trying to compete in international markets require a nationwide retooling of industry and business thinking.

Government officials, economists and industrialists agree that the country needs to rely more on brainpower and efficiency than brawn and de facto export subsidies although not everyone is ready to abandon an emphasis on high growth.

In the first seven months of the year, South Korea's trade deficit surged to a record \$10.3 billion, nearly matching the corresponding figure of \$10.6 billion for all of last year.

Semiconductors, which now account for nearly one-fifth of all South Korean exports, have endured a 70 percent fall in prices due to a global slump in computer and high-technology industries. Government officials estimate that low computer chips prices alone account for a \$7 billion to \$9 billion shortfall in trade results.

At the same time, the country's current-account deficit reached \$9.29 billion in the first half of this year, eclipsing full year figures for 1995. The tourism deficit alone attributed for \$1.17 billion of that deficit. Both trends were exacerbated by a strengthening of the local currency, the won, against the Japanese yen, which has especially hurt Korean exporters' competitiveness against Japanese goods.

While many analysts argue that South Korea's difficulties may soon right themselves when world demand for semiconductors strengthens and when the yen, inevitably, strengthens again, others argue that the downturn confirms the need for major structural reforms.

In the meantime, Korea's largest corporations show little sign of slowing their outward investments. Local newspaper estimates hold that Korea's five largest *chaebol* plan to invest up to \$62 billion overseas in the next decade compared with cumulative foreign investments of \$10 billion at the end of 1995.

Stock Market Nervously Opens Doors

SEOUL — In South Korea, there is a long, if not exactly successful, tradition of the government finding ways to rescue its stock market when it hits a rough patch.

Because the central government closely directed the activities of local banks, it was easy to prod bankers into adding to their already considerable portfolios of South Korean stocks.

Because there were only three national investment management companies and five regionally based competitors, it only took a few phone calls to generate new buyers for stocks.

And because the stock market was largely closed to foreigners, government officials could easily convince South Korean securities firms to band together to make sure they bought a few more stocks than they sold for their own accounts each week until the market regained upward momentum, boosting individual investor's confidence and ultimately arresting a market slide.

"The government is quite reluctant to intervene in the market these days," said a senior executive at one of the country's largest investment management groups, who asked not to be identified. "It has learned that such moves are often unsuccessful."

"But there is always a lot of pressure from the media and from the people who say, 'What the hell are you doing to support the market?'" said the executive, whose firm is still paying off bank debts incurred when it borrowed heavily to buy stocks in the late 1980s after "persuasion" by the government.

But with South Korea now embracing a wide range of steps toward financial market deregulation and liberalization consistent with its bid to join the Organization for Economic Cooperation and Development, the old interventionist formulas may face greater resistance.

Local banks are both freer to make their own business decisions and more reluctant to buy more stocks even though the benchmark KOSPI index is at a 33-month low. They are more worried about their own survival.

Securities firms and fund management groups would also much prefer to marshal their resources to meet a serious and growing challenge from foreign firms entering their long-sheltered market with big budgets and more sophisticated business practices.

And, finally, because of recent reforms, foreign investors will soon be able to own up to 5 percent of an individual local company's stock and up to 10 percent by 2000.

International capital, which will soon be permitted to own about 20 percent of the local stock market capitalization, need not worry about domestic political fallout if its buying or selling decisions don't dance to the government's tune.

"In the past we only had to worry about changes in Korea," said Chang Kyu Chin, president and chief executive officer of Dongwon Securities Co., of the transformation of South Korea's financial markets. "Now we have to anticipate global changes as well."

At Dongwon Securities, one of the country's largest securities firms, the

planning for change began with a comprehensive reorganization in 1992. It shed nearly one-third of its staff while slashing its ongoing capital costs by reducing the number of specific businesses it conducted.

Dongwon has built up its international network in anticipation of greater foreign investment access to the Korean markets. It has established on-line computer trading accounts for its domestic retail clients to spread its reach without incurring the cost of opening more customer service branches.

The firm is retraining employees, preparing for the introduction of a national futures market in 1998 and eventually greater foreign access to local bond markets. It is expanding, like many of its competitors, into fund management in response to liberalization of the market. And it is considering forming joint ventures in specific business areas with foreign securities firms.

"We here at Dongwon have set the management goal of achieving a second birth for the firm," said Mr. Chang. "We hit rock bottom in 1992 and the changes we began to make then are still valid and beneficial now."

But despite the upbeat approach at Dongwon Securities, most industry executives approach the coming years with trepidation. The technical challenge of competing on a global scale after years of government protection is complicated by widely acknowledged concerns about a possible clash between Korean and international business cultures. "We Koreans have lived in a closed



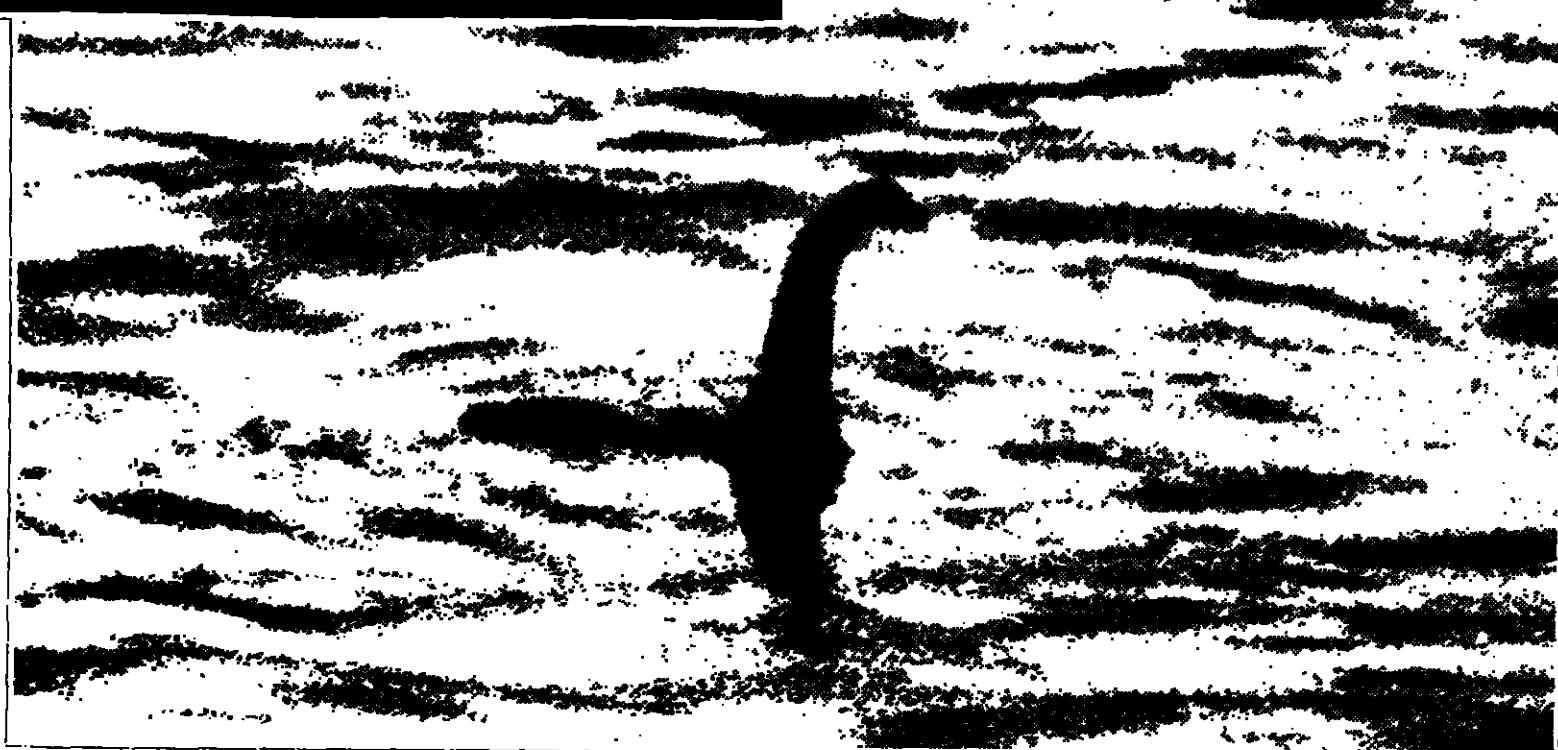
country for a very long time," said Han Chung Soo, executive director and head of the international business division at Korea Investment Trust Co. Ltd.

While most financial sector executives argue that OECD membership and all the changes it entails for their industry are coming through too rapidly, most admit the transformation is necessary, although none expects it to be smooth.

"It's not that we don't want to change. But we're being held back by the old system," said Lee Yon Woo, president and chief executive officer of Coryo Securities Corporation, citing government complaints if securities firms give their employees pay raises higher than those awarded to workers nationwide. "Now that liberalization is under way, the government has to keep its hands off the market overall."

Kevin Murphy

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KOREAN ECONOMY / A SPECIAL REPORT



The investments of Korean conglomerates stretch from Vietnam to Hungary. Samsung activities include production of commercial vehicles, left, to electric car prototypes, far right, and quality control at a Ulsan chemical plant.

In Telecommunications Tussle, U.S. Firms Spar for Larger Slice of Market

By John Burgess

WASHINGTON — All over South Korea, newly licensed companies with names like Air Media and Seoul Mobile Telecom are starting construction of new communications networks. Licensed in early June, a total of 27 newcomers are in a race to sell the Korean public on mobile telephones, paging, international calling and over-the-air transmission of faxes and other information.

These and other companies are expected to spend close to \$6 billion on equipment over the next four years as South Korea implements one of the

most ambitious telecom modernization projects in the world. Where they will spend that money has become the premier issue of trade tension with the United States.

U.S. telecommunications firms, widely ranked as the world's leaders in new communications technologies, sold South Korea roughly \$800 million of equipment last year. But they are convinced that they are not getting their fair share of the boom. "Given the growth of the market, we should be doing a lot better," said Erin Pham, manager of Asia-Pacific programs for the Telecommunications Industry Association, the trade group that represents U.S. companies.

The relationship becomes ever more complex as U.S. companies build long-term business relationships, sometimes becoming equity partners in local ventures. Many of them want more, but they are worried about offending Korean partners and often leave their trade group to do the tough talking.

The association contends that Seoul is applying pressure to steer many equipment orders to domestic suppliers and to force U.S. companies that do sell in Korea to disclose technology secrets. It also alleges difficulties in providing certain services as well as Korean abuse of U.S. intellectual property.

On July 26, following ex-

tensive negotiations on these issues, the acting U.S. trade representative, Charlene Barshefsky, officially declared South Korea to be a "priority foreign country" under a 1988 trade law. That is the first step in a process that could end with sanctions.

Disputes of this type have a way of getting settled at the last minute. But so far Seoul is talking tough as well. There is no such government intervention in the market, its officials say. Moreover, Seoul "will take necessary countermeasures" if the United States applies sanctions, the government said in a July 27 statement. However, the two sides have agreed to continue talking. Negotiators are likely

to meet in Seoul in mid-October, Korean sources said. The two sides have been squabbling for years. In the late 1980s, U.S. companies complained that they were being shut out of business with Korea Telecommunications Co., the state-owned monopoly telephone company. That led to a 1992 trade agreement providing for more openness in its procurement programs.

The prime U.S. allegation is that South Korean procurement decisions are often made with an eye to fostering efforts to build a world-class telecommunications equipment industry of its own.

In the early 1990s, attention was focused on com-

plaints by AT&T Corp. that sales of its 5ESS digital switch, a computerized system that routes calls, had plummeted as soon as Korean companies, with the aid of a government-sponsored research institute, developed comparable equipment. The sales later increased, following U.S. protests.

U.S. companies say that the 1992 agreement has not been consistently honored. But their attention has increasingly been focused on the Korean market for new wireless technologies such as mobile phones and over-the-air data, for which the Korean government has abandoned the monopoly model and licensed the new companies.

U.S. officials and companies want the 1992 agreement expanded to cover the new companies as well. But Korean officials say this is not possible. "The government cannot and should not interfere in decisions about procurement by private entities," said Chung Eui Yong, minister for economic affairs at the Korean Embassy in Washington.

Many U.S. companies find Korean claims of arms-length neutrality absurd. The government, they say, is often dictating the new companies' purchases.

The U.S. industry also complains that those firms that do get orders in Korea are often pressured to transfer technology to Korean companies.

The Korean government's "type approval" procedure, by which foreign products are certified for operation, requires disclosure of such things as product design, factory floor layout and raw materials used, Ms. Pham says.

The Koreans say that they have agreed to limit the information required for type approval. They also say that they expect to solve U.S. concerns about intellectual property. But Korean officials like to note that despite all the complaints, U.S. companies did sell roughly \$800 million worth of equipment in 1995.

JOHN BURGESS is the technology editor of *The Washington Post*.

Vietnam a Strategic Choice

By Frederik Balfour

HANOI — No one would accuse the Koreans in Vietnam of being timid. At a time when many foreign companies are having second thoughts about Vietnam's prospects, the South Koreans are plunging in. The *chaebol* says it could commit as much as \$3 billion in Vietnam by the end of the decade, 12 percent of the country's current GDP.

Daewoo Corporation, for example, is by far the largest foreign investor in Vietnam with projects worth more than \$700 million. "Normally Daewoo is very strong to go into new markets before the other competitors," said Kim Kyung Won, general director of Daeha Company Ltd., which built a \$177 million commercial, residential and hotel complex in Hanoi. "If we invest later in Vietnam, the competition will be very severe," he says.

Others are thinking along the same lines. LG Group has plans to spend several billion dollars in Vietnam, targeting everything from life insurance to oil refining. Hyundai Corporation has set up joint ventures in shipbuilding and steelmaking, and its construction arm has won several big deals, including building an offshore gas pipeline. Sangyong Industrial Cement Corp. recently signed an agreement to build a \$250 million cement plant.

Propelled by rising costs and limited growth prospects at home and attracted by Vietnam's cheap labor, Korean conglomerates have poured into the country in the past few years, seemingly undaunted by problems that have kept other investors out.

Since South Korea and Vietnam established diplomatic ties in 1992 investment by Korean companies has surged from \$109

million to \$1.987 billion in approved projects at the end of June, making South Korea the fourth largest investor after Taiwan, Japan and Hong Kong. South Korea is Vietnam's third largest trading partner, with \$1.3 billion in two-way trade.

How long the Koreans will have to wait before their investments pay off is uncertain, but executives say they can afford to wait.

The Hanoi representative office general manager of Pohang Iron and Steel Co., Oh Jin Su, said no one should expect a quick return in Vietnam. "We are seeing that U.S. companies are focusing on short-term profits because of shareholder concerns. Korea is a little different. It was traditional that [conglomerates] were not so much profit-oriented."

Observers say that in their aggressive worldwide expansion, Korean conglomerates see Vietnam, a country with a tattered infrastructure, as one of the last places in the region where they can beat the Japanese.

"They seem to want to make Vietnam a strategic move, a place where the *chaebol* thought they could get a leg up on the Japanese, but by being faster they can get to places where the Japanese ordinarily establish themselves," said a Ho Chi Minh City-based U.S. lawyer.

So far, the pie isn't even big enough to share among themselves, says Kang Hoon Chee, executive director of Samsung Corp.'s representative office in Hanoi. Group annual turnover from trading activities in coal, petrochemicals, steel and fertilizer have stagnated at about \$120 million. "We came here first, but now lots of other Korean companies are coming and competing with each other, so there is not a lot of profit," he said.

FREDERIK BALFOUR is a Hanoi-based correspondent for APX.

Chaebol Gamble on East Europe

Continued from Page 17

for at least the first three years, had scared off all other major international auto companies.

Daewoo Motors, a relatively small \$4.4 billion (revenues) firm that has global ambitions, has also taken over a van factory in Poland, a truck factory in the Czech Republic and an old Citroen factory in Romania.

Daewoo also recently unveiled a \$2.5 billion telecommunications privatization venture with the Uzbekistan government. Over the next 15 years, it will install modern mobile phones, standard telephone and pager systems. That is on top of a \$638 million investment in a Uzbekistan truck factory.

Why are the Koreans plunging forward in an area where many others fear to tread?

Certainly, they are not blind to the problems. Young Nam Wang, Daewoo Motors' executive vice president of overseas operations, noted: "Although the level of problems in the former socialist countries differ, there are common problems." He cited "lack of foreign currency; lack of marketing know-how and financing capability; lack of attention to quality; lack of attention to customer satisfaction."

But for all the negatives, to many South Koreans, a powerful positive factor tips the scales: the prospect of faster economic growth and market demand than they will find in most of the developed world. The Koreans are now the most active East Asian investors in the former Soviet bloc.

"We are expanding the business in Central Europe because the economy in that area is growing faster than in Western Europe," commented J. W. Park, the director of strategy for Samsung Europe, the first South Korean company to invest in Central Europe.

In 1989, before the Berlin Wall fell, Samsung decided to invest in a color television factory in joint venture with the Hungarian government. "That was before the liberalization," said Mr. Park. "It was even before South Korea opened diplomatic relations with them."

Today the factory is profitable and Samsung has bought out the government's share, Mr. Park said. It is producing 200,000 units a

year, some 75 percent of which is exported. This year Samsung invested an additional \$11 million to double production. Samsung also has a refrigerator factory in Slovakia and a television picture tube and a glass factory for picture tubes in the former East Germany.

The point, Mr. Park says, is that in the electronics business, large factories should mean economies of scale. "Too big doesn't mean the business itself is too big. The problem is in selected areas like fringe benefits and too many employees. Normally in these former Eastern bloc countries they have too many employees," he says.

But the solution, to Koreans, is not downsizing, but boosting production.

As Mr. Wang of Daewoo explained: "At FSO they have 10,000 workers in the factory's main plant and another 10,000 people at 100 percent owned component manufacturers."

"Other companies didn't want to take over all these people. But we would like to create more jobs there. And the only thing to do is increase production capacity."

Daewoo aims to produce 500,000 units a year at the FSO factory, and another 150,000 one-ton trucks and vans at a second Polish factory. To achieve that production and quality level, there must be a learning curve.

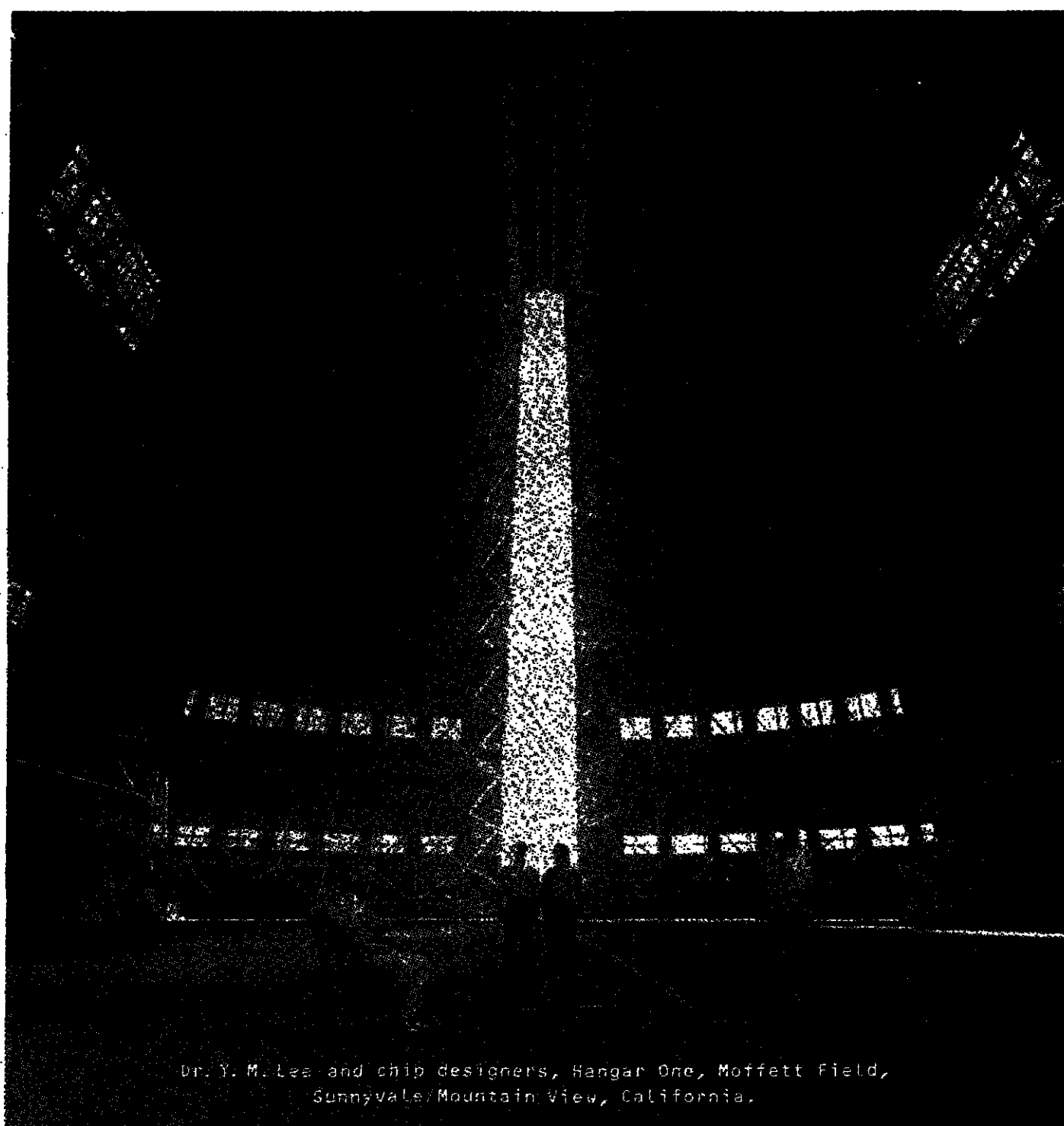
Mr. Wang noted that a Korean worker is twice as efficient as a Polish worker. So Daewoo brings Polish workers to Korea for on-the-job training.

That still leaves the problems of currency limitations and financing. But Mr. Wang cited the Korean conglomerates' multifaceted capabilities. "We have a trading company, a finance company, a securities company, a shipbuilding company," he said. "If Daewoo was only an auto company, it would be very difficult to invest in these countries."

"But we can take Romanian meat or Uzbekistan meat and create a trading opportunity elsewhere. We have created foreign currency for them," he said. "We are also establishing banks in Uzbekistan and Hungary for financing the vehicles. Otherwise, who could buy?"

SHARON KEEFER is a freelance journalist based in Paris.

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SPORTS

Rome's Rise and Fall: City of First and Last

Ajax Revives as PSV Stumbles; Liverpool Goes Atop in England

Compiled by Our Staff From Dispatches

The two Rome teams stood at opposite ends of Italy's Serie A on Sunday after the second round of games.

Roma had the best goal difference among the group of teams tied on six points after it won 2-0 at Vicenza, Lazio, one of the preseason favorites, lost for the second time, beaten 1-0 in the Olympic Stadium by Udinese.

Daniel Fonseca volleyed Fiorentina into the lead after 32 minutes. Abel Balbo

EUROPEAN SOCCER

sealed Roma's victory after latching on to Martin Dahlin's defense-splitting pass.

Back in the stadium Roma shares with Lazio, Dario Marcolin brought down the German international Oliver Bierhoff in the 73d, allowing Giovanni Bisi to score from the penalty spot for Udinese.

Bologna, second-division champion last season, also won both its games. It won 2-0 at Verona with goals from the Russian Igor Kolyanov and Carlo Nerio.

Inter Milan's expensive multinational team struggled to a 1-0 victory over Perugia at the San Siro stadium. Javier Zanetti scored the only goal. He started with the ball from close to the halfway line, exchanged passes with Paul Ince and then dribbled past three Perugia defenders before beating goalkeeper Alexander Koci.

Before and after Zanetti's goal, the former international goalkeeper Gianluca Pagliuca denied Perugia with a series of fine reflex saves, the last in the dying minutes from Massimiliano Allegri.

Alex Borkis scored Juve's first. He ran onto a through-ball from Alessandro Del Piero, drew goalkeeper Marco Pasolunghi out into the corner and then scored. Defender Ciro Ferrara scored the second from close range after a free kick in the 58th minute.

Netherlands PSV Eindhoven surrendered its 100 percent record and first place in the Dutch league Sunday with a 2-1 loss at De Graafschap.

Ghanaian forward Ali Ibrahim tormented the PSV defense and opened the scoring just after the break. His striking partner Eric Viscail made it 2-0 after 70 minutes.

PSV pulled a goal back thanks to the Brazilian Marcelo Silva Ramos and pressed hard in the final minutes, but the keeper Ron Olyslager held onto the points for his team.

Feyenoord of Rotterdam climbed in to first with a 1-0 victory at FC Twente. Midfielder Jean Paul van Gastel scored the goal in the 38th minute.

Ajax Amsterdam, the champion, returned to form with a 2-0 victory over Sparta Rotterdam in front of almost 50,000 fans in the new Amsterdam Arena stadium. Tijani Babangida and Jari Litmanen scored the goals.

ENGLAND Patrick Berger scored his first two goals for Liverpool on Sunday in a 3-0 victory at Leicester City.

The Czech midfielder, who came on as a second-half substitute for striker Stan Collymore, blasted the ball in from the edge of the penalty area after an hour. Nineteen minutes later he picked up the ball in midfield, danced through the Leicester defense and scored with another powerful left-foot shot.

In between, Michael Thomas scored with a half-volley that Leicester's American goalkeeper, Kasey Keller, fumbled into his own net.

Chelsea could have edged Liverpool out of first place on Sunday evening, but tied 1-1 with Aston Villa at Stamford Bridge.

Andy Townsend, facing his former club, scored from a cunning 18th-minute free-kick to give Villa the lead. Chelsea pulled level just before halftime when the French defender Frank Leboeuf scored his third goal of the season.

On Saturday, Alan Shearer scored from a controversial penalty against his former club Blackburn to set Newcastle on its way to a 2-1 victory.

The England striker, who left Blackburn last month for a world-record £15 million scored after the ball had struck the arm of defender Colin Hendry.



Inter Milan's Paul Ince, an English midfielder, battling against Perugia.

GERMANY Heiko Herrlich, out for six months with torn ankle ligaments, scored his third goal in two games on Saturday as Dortmund stopped VfB Stuttgart, taking over first place in the Bundesliga.

Dortmund trailed by a goal after 32 minutes when their goalkeeper, Stefan Klos, under pressure from Giovanni Elber, knocked the ball into his own net. Herrlich equalized in the 66th minute.

Bayern Munich, which drew 1-1 at Schalke, heads the table.

FRANCE Spurred by a rejuvenated Jean-Pierre Papin, Bordeaux beat Lille 3-0 Saturday to move to the top of the French league. Papin, a former European footballer of the year, scored with a fine header in the 76th minute.

It is the first time in more than five years that Bordeaux has been in first. Its renaissance coincides with Papin's.

But Papin, 32, who was France's top marksman three times in a row between 1988 and 1991, has a rival in Bastia's Anton Drobnyak, who scored twice in

Bastia's 3-1 victory in Strasbourg. Drobnyak has scored six goals since the start of the season (AP, Reuters).

Adams Says He's an Alcoholic

Tony Adams, the Arsenal and England center half, said Saturday that he is an alcoholic. Reuters reported from London. Adams served a jail term for drunken-driving offenses five years ago. He said he had been dry for the four months before England lost narrowly in the European Championships to Germany in June.

That defeat and his domestic problems — he split up with his wife, Jane, after she began receiving treatment for cocaine addiction — led to a return to heavy drinking.

In 1994, another Arsenal player, Paul Merson, said that he was addicted to cocaine, alcohol and gambling. Kevin Campbell and Charlie Nicholas, who have both left Arsenal, and Merson have all been prosecuted for drunk-driving.

Smoking Once More, Cigar Storms to Easy Victory

By Andrew Beyer
Washington Post Service

BELMONT, New York — Before the Woodward Stakes, Cigar's jockey, Jerry Bailey, lamented, "I guess the word 'invincible' doesn't apply anymore." After the champion's 16-race winning streak had been snapped at Del Mar, he had lost his magical aura.

But Saturday at Belmont Park, the 6-year-old looked as invincible as he has been for most of the past two seasons. He delivered one of the most powerful performances of his career, swooping past his rivals to win this prestigious event by four lengths over L'Carriere.

"He was in total command," Bailey said. "He showed how good he really is."

When Cigar was upset in the Pacific Classic at Del Mar, he seemingly had been a victim of circumstances, after trying to chase a destructively fast early pace. Still, many fans wondered if his overall form had begun to decline.

There was another reason to question his chances Saturday: the Belmont track developed a bias to horses on the rail, and Cigar was starting from Post 4 in the field of five.

Bailey was aware of the bias, but he wasn't worried. He sensed that the old Cigar was underneath him Saturday, and he said, "From the third jump out of the gate, I felt confident."

When the gate opened, L'Carriere, Smart Strike and Elitish all showed speed, and they raced three abreast on the backstretch, with Cigar stalking them a few lengths behind. Soon it was just L'Carriere, on the favorable rail, and Smart Strike, the highly regarded Canadian colt, dueling for the lead. After the first half mile, Bailey turned Cigar loose and tried to circle the leaders on the outside.

Cigar made the bias look nonexistent. This was the kind of acceleration that had carried him to the 1995 horse-of-the-year title, and neither of the leaders could resist it. Smart Strike, who came into this race with six straight victories, surrendered as he turned into the stretch. L'Carriere weakened, too, and was



Frankie Dettori leaping off Shantou after winning the English St. Leger.

hard-pressed to hold on to second place over 40-to-1 shot Golden Larch.

Cigar won easily, covering the mile in 1 minute, 46.06 seconds. His form is obviously not declining: A year ago, he captured this race in 1:46.07.

The champion is back on track, and will follow the schedule that his trainer, Bill Mott, had planned for him months ago. His next start will be at Belmont three weeks from Saturday in the Jockey Club Gold Cup, and then he will finish his career in the Breeders' Cup Classic at Toronto's Woodbine on Oct. 26.

Shantou Is St. Leger Winner

The champion jockey Frankie Dettori won the English St. Leger for the second straight year, riding 8-to-1 chance Shantou to a neck victory over 2-to-1 favorite Dushyantor on Saturday. Reuters reported from Doncaster, England.

The result was a reverse of the Epsom Derby in June when Dushyantor, second to Shaamit, finished just ahead of Shantou, who finished third.

SCOREBOARD

BASEBALL

MAJOR LEAGUE STANDINGS

AMERICAN LEAGUE

EAST DIVISION

Team	W	L	Pct.	GB
New York	84	67	.557	—
Baltimore	81	67	.547	3 1/2
Boston	75	73	.507	9 1/2
Toronto	67	81	.453	17 1/2
Detroit	51	98	.342	34

CENTRAL DIVISION

Team	W	L	Pct.	GB
Cleveland	80	69	.537	—
Chicago	79	70	.528	1 1/2
Minnesota	74	76	.500	7 1/2
Milwaukee	68	82	.450	13 1/2
Kansas City	69	80	.463	21

WEST DIVISION

Team	W	L	Pct.	GB
Texas	83	66	.557	—
Seattle	76	70	.521	6 1/2
Oakland	71	79	.473	13
California	65	84	.434	18 1/2

NATIONAL LEAGUE

EAST DIVISION

Team	W	L	Pct.	GB
Atlanta	82	66	.554	—
Florida	71	79	.473	10 1/2
New York	67	81	.453	19 1/2
Philadelphia	60	88	.333	30 1/2

CENTRAL DIVISION

Team	W	L	Pct.	GB
St. Louis	80	69	.537	—
Houston	74	75	.494	5 1/2
Chicago	74	75	.500	5 1/2
Cincinnati	74	74	.500	5 1/2
Pittsburgh	65	82	.441	14 1/2

WEST DIVISION

Team	W	L	Pct.	GB
San Diego	83	65	.561	—
Los Angeles	83	66	.557	—
Colorado	78	71	.521	5 1/2
San Francisco	60	87	.409	22 1/2

FRIDAY'S LEAGUE RESULTS

AMERICAN LEAGUE

Team	W	L	Pct.	GB
Baltimore	622	610	.507	9 1/2
Seattle	610	610	.500	11 1/2

NATIONAL LEAGUE

Team	W	L	Pct.	GB
Atlanta	622	610	.507	9 1/2
Seattle	610	610	.500	11 1/2

W-Edwards, A-S, L-Hook, D-T, S-Suwanee

Team	W	L	Pct.	GB
Edwards	622	610	.507	9 1/2
Seattle	610	610	.500	11 1/2

A-Suwanee, S-Suwanee, S-Suwanee

Team	W	L	Pct.	GB
A-Suwanee	622	610	.507	9 1/2
Seattle	610	610	.500	11 1/2

S-Suwanee, S-Suwanee, S-Suwanee

Team	W	L	Pct.	GB
S-Suwanee	622	610	.507	9 1/2
Seattle	610	610	.500	11 1/2

S-Suwanee, S-Suwanee, S-Suwanee

Team	W	L	Pct.	GB
S-Suwanee	622	610	.507	9 1/2
Seattle	610	610	.500	11 1/2

S-Suwanee, S-Suwanee, S-Suwanee

Team	W	L	Pct.	GB
S-Suwanee	622	610	.507	9 1/2
Seattle	610	610	.500	11 1/2

S-Suwanee, S-Suwanee, S-Suwanee

Team	W	L	Pct.	GB
S-Suwanee	622	610	.507	9 1/2
Seattle	610	610	.500	11 1/2

S-Suwanee, S-Suwanee, S-Suwanee

Team	W	L	Pct.	GB
S-Suwanee	622	610	.507	9 1/2
Seattle	610	610	.500	11 1/2

S-Suwanee, S-Suwanee, S-Suwanee

Team	W	L	Pct.	GB
S-Suwanee	622	610	.507	9 1/2
Seattle	610	610	.500	11 1/2

S-Suwanee, S-Suwanee, S-Suwanee

Team	W	L	Pct.	GB
S-Suwanee	622	610	.507	9 1/2
Seattle	610	610	.500	11 1/2

S-Suwanee, S-Suwanee, S-Suwanee

Team	W	L	Pct.	GB
S-Suwanee	622	610	.507	9 1/2
Seattle	610	610	.500	11 1/2

S-Suwanee, S-Suwanee, S-Suwanee

Team	W	L	Pct.	GB
S-Suwanee	622	610	.507	9 1/2
Seattle	610	610	.500	11 1/2

S-Suwanee, S-Suwanee, S-Suwanee

Team	W	L	Pct.	GB
S-Suwanee	622	610	.507	9 1/2
Seattle	610	610	.500	11 1/2

S-Suwanee, S-Suwanee, S-Suwanee

Team	W	L	Pct.	GB
S-Suwanee	622	610	.507	9 1/2
Seattle	610	610	.500	11 1/2

S-Suwanee, S-Suwanee, S-Suwanee

Team	W	L	Pct.	GB
S-Suwanee	622	610	.507	9 1/2
Seattle	610	610	.500	11 1/2

S-Suwanee, S-Suwanee, S-Suwanee

Team	W	L	Pct.	GB
S-Suwanee	622	610	.507	9 1/2
Seattle	610	610	.500	11 1/2

S-Suwanee, S-Suwanee, S-Suwanee

Team	W	L	Pct.	GB
S-Suwanee	622	610	.507	9 1/2
Seattle	610	610	.500	11 1/2

S-Suwanee, S-Suwanee, S-Suwanee

Team	W	L	Pct.	GB
S-Suwanee	622	610	.507	9 1/2
Seattle	610	610	.500	11 1/2

S-Suwanee, S-Suwanee, S-Suwanee

Team	W	L	Pct.	GB
S-Suwanee	622	610	.507	9 1/2
Seattle	610	610	.500	11 1/2

S-Suwanee, S-Suwanee, S-Suwanee

Team	W	L	Pct.	GB
S-Suwanee	622	610	.507	9 1/2
Seattle	610	610	.500	11 1/2

S-Suwanee, S-Suwanee, S-Suwanee

Team	W	L	Pct.	GB
S-Suwanee	622	610	.507	9 1/2
Seattle	610	610	.500	11 1/2

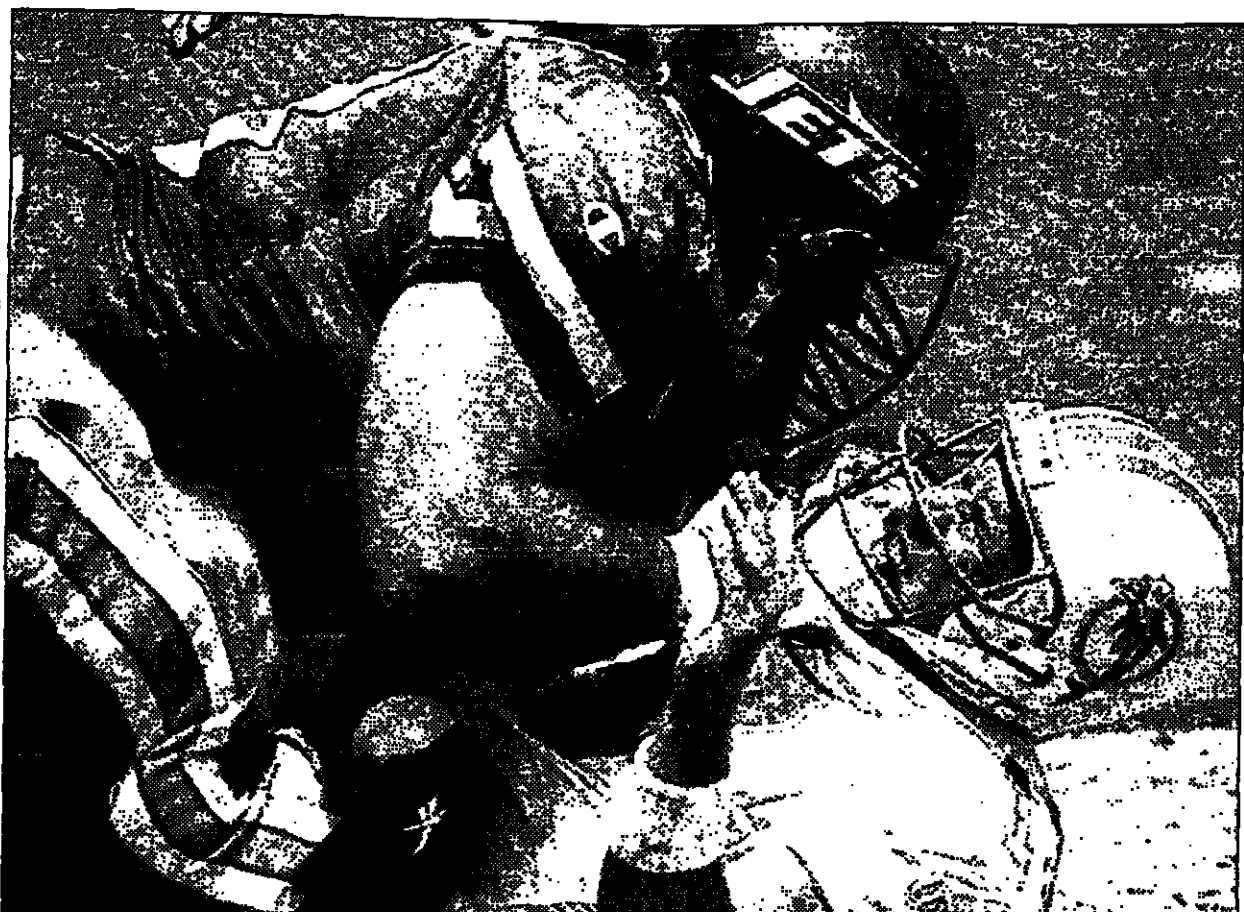
S-Suwanee, S-Suwanee, S-Suwanee

Team	W	L	Pct.	GB
S-Suwanee	622	610	.507	9 1/2
Seattle	610	610	.500	11 1/2

S-Suwanee, S-Suwanee, S-Suwanee

Team	W	L	Pct.	GB
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SPORTS



Bobby Hamilton of the Jets sacking the Dolphins' quarterback, Dan Marino, in the second quarter Sunday.

Marino Stops Jets to Keep Dolphins Unbeaten

The Associated Press

On his 35th birthday, Dan Marino shook off Aaron Glenn's 100-yard interception return and rallied the unbeaten Miami Dolphins past the winless New York Jets, 36-27, on Sunday in Miami.

The Dolphins fell behind, 14-0, then scored touchdowns on four consecutive possessions. The comeback began with Marino's 74-yard scoring pass to the rookie fullback Stanley Pritchett, and backup tight end Frank Wainwright and Brett Carolan made the first touchdown receptions of their careers.

The rookie Karim Abdul-Jabbar rushed for 124 yards on 23 carries,

with four previous career receptions.

The Dolphins found themselves trailing 14-0 midway through the second period despite reaching New York's 20, 37 and 1-yard lines on their first three possessions.

Miami had a first down at the 1, but New York stuffed three running plays. On fourth down, Marino threw to Randall Hill at the goal line, and Glenn stepped in front of the intended receiver for the interception, sprinting past a stunned Marino and into the clear.

It was the longest interception return in Jets history, breaking Erik McMillan's record of 92 yards against Indianapolis in 1989.

New York scored again on its next possession, with O'Donnell hitting Webster Slaughter for a 30-yard score on third-and-14.

The Dolphins' comeback began on the next play, when Pritchett slipped behind linebacker Chad Cascadden and caught Marino's bomb for a 74-yard touchdown. It was the longest completion to a running back in Dolphins history.

Packers 42, Chargers 10 Safety LeRoy Butler returned an interception 90 yards for a touchdown and Desmond Howard returned a punt 65 yards for a TD as the Packers routed previously unbeaten San Diego in Green Bay, Wisconsin.

The Packers, who have pummeled their opponents by a combined score of 115-26, started out 3-0 for the first time since 1982.

San Diego was still in it with 6:4 minutes left, trailing 28-10 and threatening again when Butler stepped in front of Terrell Fletcher at the Packers 10. Butler raced down the left sideline for the score.

Vikings 20, Bears 14 Warren Moon passed for 239 yards, including a 30-yard connection with Cris Carter to set up Scott Sisson's tiebreaking 33-yard field goal with 7:25 to play, as Minnesota triumphed in Chicago.

Moon missed the previous game and a half with injuries to both ankles and

watched backup Brad Johnson rally the team to victories. But in the hard-hitting game against the Bears, the 39-year-old quarterback went the whole way and was 22-of-44.

The Vikings, whose last had a 3-0 start in 1975, scored the only six points of the second half on two field goals by Sisson in the fourth quarter.

Eagles 24, Lions 17 Ricky Watters, who hurt the Eagles with fumbles in each of their first two games, ran for 153 yards in 27 carries as Philadelphia bounced back from Monday night's beating by Green Bay to defeat visiting Detroit.

Rodney Peete completed 25 of 30 passes for 284 yards, his highest total in two seasons with the Eagles.

Bengals 30, Saints 15 Ki-Jana Carter got his first NFL touchdown, a 31-yard run that set up the victory over winless New Orleans in Cincinnati.

Carter's second-quarter touchdown run — the longest by the Bengals in two years — gave Cincinnati a 17-6 lead and enabled them to avoid an 0-3 record heading into its bye week.

Jeff Blake found Darnay Scott uncovered in the end zone for a 24-yard touchdown pass that put the Bengals ahead 10-3 in the second quarter. Safety Anthony Newman was late getting over, resulting in the first passing touchdown against the Saints this season.

After the second of Doug Brien's three field goals made it 10-6, Carter finally showed the flash that made him the top pick in the 1995 draft. He took a handoff from Blake, ran right, cut back into a hole and ran untouched 31 yards to the end zone.

Patriots 31, Cardinals 0 New England dominated the battle of winless teams as Drew Bledsoe came back from two shaky games with three touchdowns passes against visiting Arizona.

It was 20-0 at halftime, Arizona quarterback Boomer Esiason was benched for the second straight game and, in the first half, New England got more first downs (18) than Arizona had plays (15).

Orioles Break Home-Run Mark

Tigers Fall, 16-6, as Season Record of 243 Is Set

The Associated Press

The Baltimore Orioles broke the major league record for home runs in a season with 243, connecting five times Sunday as they beat the Detroit Tigers, 16-6, to pull within 2 1/2 games of American League East-leading New York.

Brady Anderson began the game with his 46th homer,

BASEBALL ROUNDUP

Cal Ripken homered twice and Bobby Bonilla hit a grand slam. Mark Parent's three-run drive in the third inning was the Orioles' 241st of the year, breaking the mark set by the 1961 Yankees.

The Orioles completed their first three-game sweep at Tiger Stadium since 1977 and moved closer to the Yankees, who lost to Toronto, 3-1, on Sunday. Baltimore plays a makeup game at home Monday against Milwaukee, then starts a three-game series at Yankee Stadium on Tuesday night.

Tony Clark homered twice, including a roof-clearing shot, in Detroit's ninth straight loss.

Anderson hit his 10th leadoff homer of the season, breaking the AL record set by Rickey Henderson in 1986. Bobby Bonds holds the major league mark of 11 in 1973.

After Roberto Alomar walked and Bonilla singled with two outs, Ripken homered.

Ripken's four RBIs gave him 1,359, moving him ahead of Brooks Robinson for most in Orioles history.

Parent, acquired from Detroit on Aug. 27, homered in the third off Todd Van Poppel (3-7).

Bonilla's grand slam and Ripken's 23d homer and second homer of the game were consecutive shots in a six-run eighth.

The Orioles won for the eighth time in nine games.

Red Sox 9, White Sox 8 Frank Thomas homered in his first three at-bats in Boston, becoming the White Sox career home run leader, but the Red Sox beat Chicago on Troy O'Leary's single with two outs in the ninth inning.

Thomas hit solo home runs in the first, third and fifth innings against Tim Wakefield. His first drive was his 215th for the White Sox, breaking a tie with Carlton Fisk for the team lead.

Thomas, with a chance to tie the major league record of four homers in a game, drew an intentional walk in the seventh from Vaughn Eschelman and struck out swinging in the eighth against Heathcliff Slocumb. The crowd booed Eschelman as he walked Thomas with one out and a runner on second.

Mark Whiten was the last player to hit four homers in a game, doing it for St. Louis in 1993. The last AL player to do it was Rocky Colavito for Cleveland in 1959. The feat has been accomplished 10 times.

Mo Vaughn and John Valentin each hit two home runs for Boston. Robin Ventura and Danny Tartabull also connected for the White Sox.

The nine home runs in the game tied an AL high this season.

Blue Jays 3, Yankees 1 In Toronto, Woody Williams allowed five hits in eight innings and Joe Carter drove in two runs as Toronto Blue stopped New York's five-game winning streak.

John Olerud was hit twice by pitches, giving Toronto the major league record for hit batsmen (81) in a season.

Williams (4-3), who carried a three-hitter into the eighth, struck out eight and walked one.

The right-hander, who has never pitched a complete game in the majors, gave up a solo homer to Derek Jeter, his ninth, leading off the third before retiring 14 in a row.

Mariners 7, Twins 0 In Minneapolis, Paul Molitor grounded out three times, leaving him with his short of 3,000.

With former Milwaukee Brewers teammate Robin Yount among the friends and family on hand, Molitor went 0-for-3 and was hit by a pitch by Salomon Torres.

Molitor, born across the Mississippi River in St. Paul, now must go on the road as he tries to become the 21st player to reach 3,000.

Torres pitched a two-hitter for his first career shutout and his third career complete game. He also matched a career high with nine strikeouts.

Ken Griffey tied his career-high with his 45th homer, Jay Buhner hit his 40th and Mark Whiten also connected for Seattle, which remained four games behind Baltimore in the wild-card race.

Athletics 10, Indians 9 Geromino Berroa scored on Kenny Lofton's throwing error in the top of the 10th as visiting Oakland stopped Cleveland's six-game winning streak.

Berroa led off with a single off Jose Mesa and Brian Leshar walked. Terry Steinbach lined a shot up the middle that second baseman Jose Vizcaino just missed.

Lofton picked up the ball in shallow center and tried to get Leshar at second, but his low throw bounced away from shortstop Omar Vizquel, allowing Berroa to score.

Carlos Reyes got the final four outs for the victory.

Manny Ramirez homered for the third straight game.

and Jim Thome hit his 36th homer for Cleveland.

In The National League

Pirates 4, Giants 1 Jon Lieber pitched seven strong innings and John Wehner hit a two-run double to give Pittsburgh victory in San Francisco in the first game of a double header.

The Pirates won their fourth straight over the Giants, who have lost 14 of 16 games.

Orlando Merced's infield single and a walk to Jason Kendall set up Wehner's two-out, two-run double in the third inning that gave the Pirates a 4-0 lead.

Braves 3, Mets 2 In New York, Tom Glavine struck out 10 in 8 1/2 innings and Chipper Jones drove in two runs Sunday, helping Atlanta stop a six-game losing streak.

The Braves had lost 10 straight road games, allowing Montreal to creep within 4 1/2 games in the NL East, before Glavine and Jones came to the rescue.

Glavine (14-9), who had lost his previous two decisions, allowed 10 hits before leaving after putting two runners on in the ninth.

Mark Wohlers inherited a first-and-third situation in the ninth. His wild pitch brought the

Mets within 3-2 before he struck out pinch hitter Andy Tomberlin for his 35th save.

Paul Wilson (4-12), who lost his eighth straight decision, gave up three runs and six hits in seven innings.

Marlins 4, Expos 3 In Montreal, Jeff Conine homered for the second straight game and drove in two runs as Florida avoided a four-game sweep by the Expos.

Marlins starter AJ Leiter reached the 15-victory mark for the first time in his career, striking out nine in 6 1/3 innings as Florida snapped a four-game losing streak.

The Expos, who trail Atlanta by 5 1/2 games in the NL East, lost for the first time in nine games at Olympic Stadium.

Leiter, who added two singles, allowed three runs and five hits. Robb Nen got the last four outs for his 32d save.

Conine, who hit an RBI single in the first, made it 3-0 in the third with his 24th homer, a two-out shot.

The California Angels at Kansas City Royals game scheduled for Sunday was rained out. It will not be made up. The game never got started and was called after a wait of 57 minutes.



Cleveland's Sandy Alomar tagging out Mike Bordick.

Michigan Escapes With an Upset As Colorado's Last-Gasp Pass Fails

Notre Dame Routs Purdue, Penn State Crushes N. Illinois

The Associated Press

In an eerie replay of Colorado's last-play victory over the Wolverines in 1994, a desperation pass into the end zone fell incomplete Saturday and No. 11 Michigan escaped with a 20-13 victory over the No. 5 Buffaloes.

"I was thinking, 'Here we go again,'" said Michigan's coach, Lloyd Carr. "When the ball went up in the air, I held my breath. We were in a better position to hit the ball this time. Colorado got a good bounce two years ago. They didn't this time."

Colorado gained possession at the Michigan 38 with five seconds left, and Koy Detmer launched a pass toward the end zone. As the ball arrived, several defenders jumped along with the receiver James Kidd. The ball was tipped and fell to the ground as another receiver dived in vain to make the catch.

The Michigan players swarmed the field to celebrate, knowing they finally could brush aside the bitter memory of Kordell Stewart's 64-yard pass to Michael Westbrook that gave Colorado a 27-26 victory two years ago in Ann Arbor, Michigan. Scott Dreisbach's three-yard touchdown pass to Jerame Tuman late in the third quarter had put Michigan ahead after Remy Hamilton's 42-yard field goal tied the score at 13.

Colorado led 13-10 at the half on Lendon Henry's 11-yard touchdown run and Detmer's 5-yard scoring pass to Phil Savoy. Clarence Williams had a 7-yard scoring run for the Wolverines. Detmer

was 23 of 39 for 287 yards. It was the weekend's only meeting between two top-25 college teams.

No. 6 Penn St. 40, Northern Illinois 0 In State College, Pennsylvania, Chafie Fields, replaced Curtis Enis who was ill, and ran for two touchdowns during a 21-point burst.

COLLEGE FOOTBALL

in 2:17 of the second period for the Nittany Lions.

The tight end Joe Jurevicius caught two scoring passes, including a 51-yarder from backup Mike McQueary.

No. 9 Notre Dame 35, Purdue 0 Aubrey Denson ran for two touchdowns and caught a scoring pass from Ron Powhus to pace the Irish at home. Allen Rossom returned the opening kickoff 99 yards for a touchdown. Denson had 66 yards on 15 carries, caught three passes for 61 yards and returned two punts for six yards. Powhus was 19 of 32 for 238 yards.

No. 13 Alabama 36, Vanderbilt 26 In Tuscaloosa, Alabama, fans booed the home team in a close game against the Commodores. The Tide scored 21 points in a three-minute span of the third quarter and then held off Vanderbilt.

Washington 29, No. 14 Brigham Young 17 In Seattle, Rashawn Shehee ran for two first-half touchdowns and Shane Forney threw for one and ran for another as the Huskies stopped BYU's passing whiz, Steve Sarkisian, who was 23 of 35 for 279 yards and two touchdowns.

No. 15 Auburn 45, Mississippi 28 In Oxford, Mississippi, Dameyune Craig threw three touchdown passes and Fred Beasley ran for two fourth-quarter scores for the Tigers.

Craig, 13 of 25 for a career-high 249 yards, threw touchdown passes of 67 and 23 yards to Robert Baker and 22 yards to Karsten Bailey.

No. 16 Southern California 46, Oregon St. 17 LaVale Woods set a school record with a 96-yard touchdown run on the second play of the game, but the Trojans still needed a 26-point third quarter to put away the visiting Beavers.

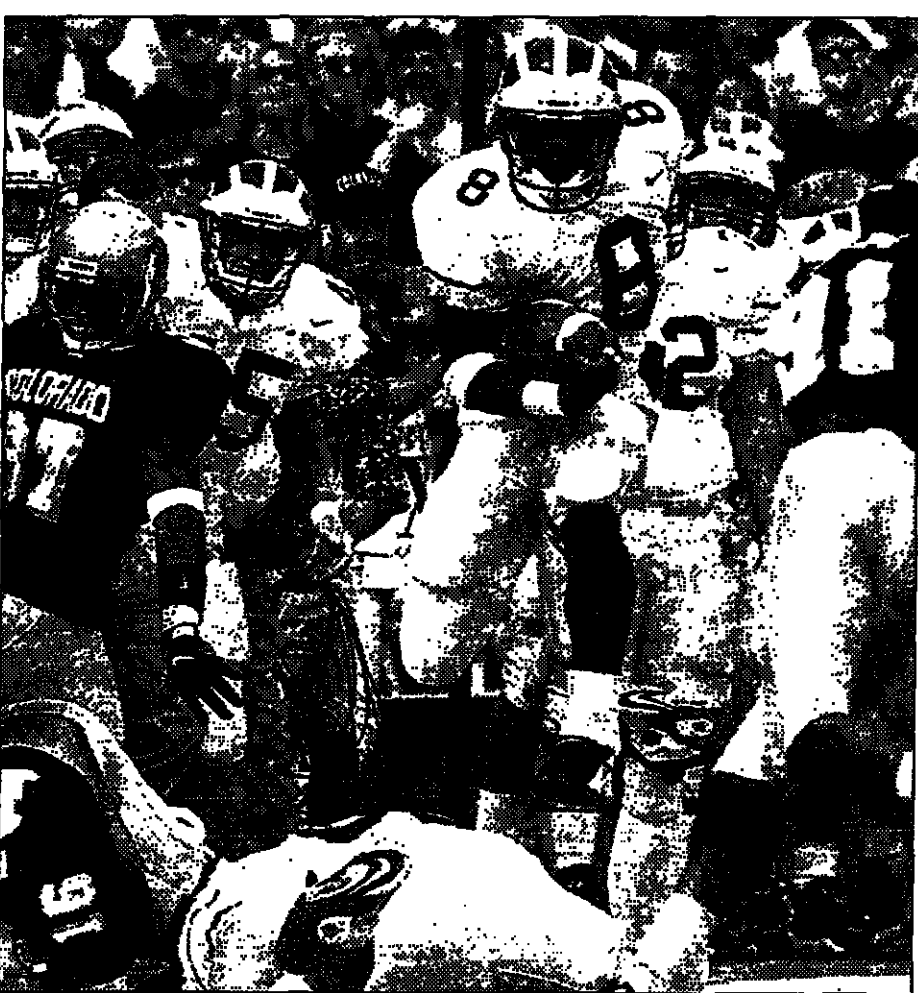
Woods' run broke the school mark of 94 yards set by Dwight Ford in 1977 and matched by Zed Lee in 1984. Chad Morton added a 73-yard scoring run for the Trojans.

No. 17 Kansas St. 35, Cincinnati 0 In Manhattan, Kansas, Marlon Charles scored twice and gained 106 yards and Mike Lawrence added two touchdowns for the Wildcats.

No. 18 Arizona St. 52, N. Texas 7 Keith Poole caught three touchdown passes and also scored on a 39-yard reverse as the Sun Devils used a 24-point third quarter to rout the visiting Eagles. Poole had six receptions for 121 yards.

Lamont Morgan scored on a 92-yard fumble return and tackle Vince Arney returned a tipped pass 24 yards for another touchdown.

No. 19 Virginia Tech 45, Boston College 7 The visiting Hokies won their 12th straight game as Brian Edmonds and Shyrone Stith each had two touchdown runs.



Michigan running back Chris Howard leaping over bodies on his way to an 8-yard gain.

No. 21 Iowa St. 36, Iowa St. 13 Tavian Banks ran for a career-best 182 yards and three touchdowns, including an 89-yarder as host Iowa beat Iowa State for the 14th straight time.

Iowa State's Troy Davis had 152 yards and a touchdown, but Iowa built a 24-0 halftime lead and finished with 526 total yards.

No. 22 Virginia 21, Maryland 3 In Charlottesville, Virginia, Tony Dingle returned an interception 10 yards for a touchdown and recovered a

fumble to set up Tiki Barber's 6-yard score for the Cavaliers. Barber finished with 123 yards on 29 carries.

No. 24 Kansas 52, Texas Christian 17 In Fort Worth, Texas, June Henley slogged through intermittent rain for 201 yards and a school-record-tying four touchdowns.

Henley scored on runs of 10, 2 and 3 yards and gave Kansas a 28-10 halftime lead. He also scored on a 24-yard run in the third quarter.

SW Louisiana 29, No. 25 Texas A&M 22 In Lafayette,

Louisiana, the Ragin' Cajuns beat their first Top 25 team as Britt Jackson returned an interception 30 yards with 6:30 left for the winning points.

The Aggies drove to the 13 with 31 seconds left, but Damon Mason intercepted Brandon Stewart's pass to preserve the victory.

Top-ranked Nebraska, No. 2 Tennessee, No. 3 Florida State, No. 4 Florida, No. 7 Texas, No. 8 Ohio State, No. 12 North Carolina, No. 20 LSU and No. 23 Syracuse were idle.

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WORLD ROUNDUP

Minali Sprints In

CYCLING Nicola Minali out-sprinted the pack Sunday in Cordoba to win the ninth stage of the Tour of Spain. It was his third stage victory and second in two days. Monday is a rest day, and after that the tour enters the mountains. "I won't keep the yellow jersey in Tuesday's time trial," said Fabio Baldato, who leads by 21 seconds over Laurent Jalabert. (Reuters)

Spanish Double

TENNIS In a final between two Spaniards on Sunday, Alberto Berasategui, the fourth seed, beat Carlos Moya, the third seed, 6-1, 7-6 (7-5) to win the \$500,000 Romania Open in Bucharest. In England, another Spaniard, Alberto Costa, beat Marc-Kevin Goellner of Germany on Sunday in the final of the Bournemouth clay-court event. Costa won 6-7, 6-2, 6-2. (AP, Reuters)

Argentina Beats U.S.

RUGBY UNION Argentina beat the United States, 29-26, Saturday in Nepean, Canada, in the first game of the Pan-American tournament doubleheader. Gonzalo Quesada kicked a penalty for Argentina with less than a minute left to break a 26-26 tie. Canada then downed Uruguay, 24-18, in a sluggish match. (Reuters)

Hard Hearts

SOCCER Hearts of the Scottish Premier league is likely to be subjected to an inquiry by the Scottish Football Association after it finished its game against Rangers with just seven men on Saturday. Four Hearts players — Pasquale Bruno, David Weir, Neil Pointon and Paul Ritchie — were sent off by referee Jerry Evans in the 3-0 defeat. Hearts became only the second team in Scottish history to be reduced to seven players. Stranraer was the other, in December 1994. Television replays seemed to back the dismissals of Bruno, who had been booked earlier, and was sent off for tripping Gordon Durie and Weir, who was sent off after a clash with Durie. Pointon and Ritchie were sent off on the advice of linesman Graeme Allison, apparently for foul and abusive language, which is a red-card offense. (AP)



Ekaterina Gordeeva after falling in Milwaukee while skating for the first time since Sergei Grinkov, her husband-partner, died in November.

After Wild Weekend, Couples Clinches Cup U.S. Holds On At Manassas In Face of International Charge

Agence France-Presse
MANASSAS, Virginia— Fred Couples sank a 40-foot birdie putt to defeat Vijay Singh 2-and-1 Sunday and allow the United States to retain the Presidents Cup by the slimmest of margins.

Couples rolled in the pressure-packed putt and Singh missed from 15 feet to end the deciding match and give the United States a 16½-15½ victory over the International team. Couples won the first hole with a par, and Singh never caught him, although the man whose name means "victory" in Hindi birdied the par-three 16th with a drive inches from the cup to move within 1-down.

With the United States on 15½ points, the Internationals took four consecutive must-win matches to pull even and set up the dramatic finish.

Frank Nobilo sank a 15-foot birdie to defeat British Open champion Tom Lehman 3-and-2. Nobilo won the final five holes, rallying from 2 down while knowing the U.S. team was one victory away from keeping the Cup.

Seconds later, Pavin missed a birdie putt and lost 3-and-1 to Greg Norman, squaring the overall score at 15½-15½ to set up the dramatic finish. Norman won the final three holes. None between him and Pavin were halved on the back nine.

In Saturday's play, Leonard Shapiro of the Washington Post reported:

On the bus ride home from a team dinner Friday night, the International team decided to have a jolly good time. Never mind that the Americans had dominated the matches earlier in the day and held a commanding five-point lead. This was no time to panic, according to Greg Norman.

"We were telling dirty jokes and the beer was flowing," the No. 1-ranked player in the world said. "We knew we had a powerful team and it was just a matter of time."

The time came in Saturday's second round at Robert Trent Jones Golf Club, when they turned that power on with dramatic role-reversing results. The International team first won three of five morning matches in the four-ball (best-ball) competition. In the afternoon, they won four of five in the alternate-shot portion of the program.

By the end of a sparkling September day on the shores of Lake Manassas, the International team had cut the first-day deficit to a single point — 10½ for the U.S. team, 9½ for the visitors — going into Sunday's 12 singles matches.

The only American team to score a point in the afternoon was Mark O'Meara and Scott Hoch. They needed what O'Meara later described as a very lucky shot to secure a tense 1-up victory over Steve Elkington and Vijay Singh.

Unable to even see the pin from where his ball came to rest about pin-high on a grassy slope leading down to the lake, O'Meara lofted a sky-high 57-degree wedge that landed softly on the first cut fringe of the green and trickled down toward the hole, missing the cup by inches for a conceded par. The Americans couldn't breathe easily until Elkington missed a 25-footer for birdie and a halve of the match, but everyone knew the critical nature of that sweep — stopping U.S. victory — on the scoreboard and in all their heads.

"That was very significant," said the U.S. captain, Arnold Palmer. "Just think about it. If we lose the hole, the matches are dead even. That means neither team can have any slippage Sunday. If tomorrow should be a 6-6 split, we'd be in pretty good shape with that shot."



Nick Price of Zimbabwe and the International team chipping on the fourth green Sunday in the Presidents Cup.

Parnevik Takes Lancome Golf

Reuters
ST. NOM LA BRETECHE, France—Jesper Parnevik withstood an early blizz by Colin Montgomerie on Sunday to win the Lancome Trophy by five strokes when the Scot gave up all he had gained from birdies on the first five holes. The 31-year-old Swede, who finished with a three-under-par 67, led by a stroke over Montgomerie at the start of the round but fell two behind after the Scot birdied the first three holes.

Parnevik matched Montgomerie's birdies at the next two holes. But then Montgomerie, the top-ranked player in Europe, began to come apart. He bogeyed the sixth from a greenside bunker and the short seventh after hitting into water. Starting at the 13th, three successive bogeys against two birdies by the Swede left Montgomerie five behind. Both parred the 17th and bogeyed the last, leaving Parnevik with a 12-under-par total of 268.

Fiori Wins Quad Cities Classic

Ed Fiori shot a final of round 67 for a 12-under-par total of 268 to win the Quad Cities Classic in Coalville, Illinois. Bloomberg Business News reported, Fiori finished two shots ahead of Andrew Magee.

U.S. Rallies Past Canada to Capture Hockey Cup

By Joe Lapointe
New York Times Service

MONTREAL—The United States won the World Cup of Hockey by stunning Canada with four goals in the final four minutes to take a 5-2 victory in a bitter battle.

The tying and winning goals by the Americans on Saturday night were reviewed on videotape. The first was by Brett Hull, his second of the game, a deflection by a raised stick that was ruled low enough to be legal.

The decisive goal, with 2 minutes, 35 seconds remaining, was scored by Tony Amonte, who knocked in a rebound of a shot by Derian Hatcher. The goal was reviewed on videotape to see whether Amonte was either in the crease or had kicked the puck in. It was ruled that Amonte was not in the goal crease.

Curtis Joseph, the goaltender for Canada, said that Hull's tying goal was deflected in with a high stick and that Amonte's winning goal was kicked in. "You can kick it in now, I guess," Joseph said, referring to a liberalization of that rule this season.

"Didn't they change the rule?" Amonte said, as he puffed big plumes of smoke from a victory cigar.

"I know my stick was there," he added. "It's been a controversial tournament from the get-go."

Hull, who was born in Canada, said he did not feel the same sense of accomplishment as his teammates, who grew up in the United States and represented their country as teenagers.

"I wish I had the same deep feeling," he said.

In evaluating the championship series, Hull said, "I don't think you can look back in the annals of the game and find three better games."

Mike Richter, who stopped 21 of 22 Canadian shots in the second period and was named the most valuable player of the three-game series, said the four-goal



Pat Lafontaine, Bill Guerin and Adam Deadmarsh cheering the U.S. team's 5-2 come-from-behind victory.

burst in the final 3:18 was "a pretty dramatic turn of events."

After Canada pulled Joseph, the goaltender, for an extra attacker in the final minute, Wayne Gretzky of Canada failed to turn in a deflection as he stood near the empty side of the American team's net.

Hatcher then scored into the empty net, and when Joseph returned, Adam Deadmarsh scored the final goal.

Earlier in the period, when the score was tied at 1-1, it appeared that Canada

had won it on a goal by the defenseman Adam Foote at 12:50. Foote lofted a long, soft shot that found its way past Richter, who didn't move on the shot as the puck tumbled over his shoulder.

The other Canadian goal was scored on a power play by Eric Lindros, who also received a two-minute penalty after clubbing Keith Tkachuk in the back of the head, near the neck, with his stick.

Later, when Tkachuk hit Foote with a similar swing of the stick to his torso, he received a five-minute major penalty

that ejected him from the game.

Last Sunday, in a suburb of the national capital of Ottawa, Canadian fans booed the Americans and cheered their old hockey enemy, Russia.

To a country that draws its pride and identity from a, this is worrisome.

"It's hard to tell the difference between an American and a Canadian," said Glen Sather, the coach of Team Canada. "Just because the 49th parallel is there doesn't mean there is a whole lot of difference."

Weah Scores, But Milan Loses Again

Compiled by Our Staff From Dispatches
AC Milan, the Italian champion, suffered its second defeat in four days Sunday night, when it lost 2-1 to Sampdoria.

Milan lost 3-2 in Milan to FC Porto in the Champions League on Wednesday. On Sunday in Genoa, it dominated for most of the first half against Sampdoria, and George Weah opened the scoring with a powerful shot after 13 minutes.

But Argentine Juan Sebastian Veron evened the score with a free kick just before the break and Roberto Mancini headed in Frenchman Christian Karembeu's fine 77th minute cross.

In France on Sunday, Paris St. Germain recaptured the lead in the French league with a 1-0 victory at Cannes, despite losing inspirational goalkeeper Bernard Lama with a knee injury.

Lama was the star of the match, saving his team several times, notably in the 84th minute when he stopped a penalty kicked by Cannes' Laurent Charvet.

But the international goalkeeper, yet to concede a goal in seven matches since the league resumed, was injured in the process and had to be carried off.

Brazil's Rai scored the game's only goal from a counter-attack in the 71st minute, allowing his side to move two points ahead of Bordeaux on 17 points. (AFP, Reuters)

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